TOURISM AS A TOOL FOR RURAL DEVELOPMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON PROCUREMENT, TOURISM, AND
RURAL DEVELOPMENT

OF THE

COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

INDEPENDENCE, MO, JUNE 30, 1990

Printed for the use of the Committee on Small Business

Serial No. 101-70

U.S. GOVERNMENT PRINTING OFFICE
32-423 WASHINGTON : 1990

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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TOURISM AS A TOOL FOR RURAL DEVELOPMENT

SATURDAY, JUNE 30, 1990

House of Representatives,
Subcommittee on Procurement, Tourism,
and Rural Development,
Committee on Small Business,
Independence, MO.

The subcommittee met, pursuant to notice, at 10:15 a.m., in the multipurpose room, Harry S. Truman Library, Independence, MO, Hon. Ike Skelton (chairman of the subcommittee) presiding.

Chairman Skelton. Ladies and gentlemen, we will call our hearing to order. My name is Ike Skelton. I am a Member of Congress and chairman of the Subcommittee on Procurement, Tourism, and Rural Development. I welcome all of you, witnesses and friends, today.

We have a Missouri Congressman on my right, Congressman Mel Hancock, who represents Missouri's Seventh District. On my left is Congressman Ron Machtley, from the State of Rhode Island, who just flew in. He is from Rhode Island's First District, if I am correct.

Today's field hearing will examine rural tourism, an issue within the jurisdiction of this subcommittee, and one which has been of interest to me for many years. We have an excellent gathering of witnesses today, and we are here to learn what each of them or the regions or the agencies that they represent are doing in the field of tourism, and how they are using this industry to promote their local economic and, often, cultural development and revitalization. We also want to learn about their relationship with Federal and State Governments and agencies. If problems do exist, a lack of communication is sometimes the culprit, and fact-finding such as this hearing can often alleviate such tensions.

We are also here to investigate and get your comments on the State of international tourism. As Commerce Department figures showed last year, international tourism brought $43 billion to the United States, and, in dollar figures, international tourism is our biggest export. This is good news; there is no denying that. However, most of these dollars currently flow mainly to American gateway cities—New York, Los Angeles, Miami, Honolulu, and the like. Rural areas, in many places, are only beginning to think in terms of attracting foreign tourists to their sites and attractions. We need to learn how to get these visitors to secondary destinations.

Additionally, we want to discuss certain highway transportation questions today. According to the Travel Industry Association, 80 percent of all vacation travel is conducted by highway and nearly 80 percent of international visitors use a car for at least part of their stay. Without a modern and up-to-date travel infrastructure, domestic travel growth will never reach its full potential.

Finally, we have solicited comments on a bill that is now moving through the Congress, the Tourism Policy and Export Promotion Act. This bill has passed the Senate and is currently being considered in the House of Representatives. The focus of the bill is to increase foreign visitor arrivals to the United States, but of particular interest to us today is a provision in the bill which would establish a Rural Tourism Foundation. The Rural Tourism Foundation would promote rural tourism and encourage the development of public/private partnerships to promote tourism development in rural areas. This act, if approved by the Congress, will be a serious contribution to the promotion of tourism and rural tourism development in the United States.

In years past, the travel and tourism industry in the United States has been perceived as a frivolous field, and the true impact of the industry has not been fully understood by the general public and by policymakers alike. But today, there is a growing awareness and recognition around the country of the economic contribution of the tourism industry, including its potential contribution to rural areas, and no wonder—we are talking about an industry with annual expenditures totaling over $300 billion. We are talking about an industry that is the third largest in the Nation, ranked after automobile dealerships and food stores.

We are also talking about an industry that is predominantly made up of small businesses, with approximately 98 percent of tourism enterprises classified as small businesses by the Small Business Administration.

As an international tourist destination, the United States has often been seen as two coasts with nothing much in-between. Fortunately, that view is now changing as more and more travelers want to get to know the real America. Many tourists, both foreign and American visitors, are beginning to explore mid-America and other sites that are off the beaten path.

In recent years, many of my colleagues in the Congress and I have been very concerned about the conditions in rural America. Hard times have caused the quality of life in many of our rural communities to decline. Many of our small towns are literally disappearing. Yet, there are shining examples of rural communities that have been revitalized. In some regions, including many towns in Missouri, innovative leaders have linked their fortunes and their futures to tourism development and have embarked upon an authentic rural renaissance.

For the visitor, rural tourism is a chance not only to see what America is all about—our history, culture, and heritage—it is also a chance to escape and take pleasure in the past. In many cases, things local residents see and experience every day are just that, everyday things to them. But, to the potential traveler, they are a vacation experience.

Recently, I had the opportunity to meet with a group of international tour operators visiting Washington. Their number one concern was the U.S. Travel and Tourism Administration, better known as USTTA. The support of these international tour operators for American tourism was evident, but without the promotional and technical support of USTTA, they face serious obstacles when trying to convince their clients to visit the United States. They let us know, in no uncertain terms, that we must be prepared to match the promotional efforts of our international competitors or continue to lose the market share of international tourism.

Do my colleagues have statements or comments that they wish to make? Mr. Hancock.

[Mr. Skelton's statement may be found in the appendix.]

Mr. HANCOCK. Thank you very much, Ike. I had not planned on being here until late Thursday; about the time we ended up the session that day.

Let me say this. Around Capitol Hill, Mr. Skelton has been recognized as a real leader in the tourism area. He has been working on it a good long time. I do not know how many people realize this, but there are estimates that by the year 2000, the number one income producer in the State of Missouri will be tourism. So, I am glad to see him take the initiative on this. While I have only recently been appointed to the subcommittee, I have been working with Ike since I got up here, because I wanted to be on the Tourism Subcommittee due to its importance to the State of Missouri. Having said that, I thank you.

Chairman SKELTON. Thank you, sir. I would like to introduce the gentleman from the Newport, Rhode Island area for his comments. We were privileged, about a month ago, to have an excellent hearing out there with this subcommittee, but not on this particular subject. We welcome him to the State of Missouri; it is a long way from Rhode Island to Independence, Missouri. Congressman Ron Machtley, we appreciate your being with us.

Mr. MACHTLEY. Mr. Chairman, thank you very much. For me, it is a distinct honor and a privilege to join my two colleagues here in Missouri at this very historic library and this very important and historic State. I am here both officially as a Congressman and, after the hearing, I hope, as a tourist. While my immediate economic impact on this State might not be substantial, I do hope to see as much as I can and to take back some gifts to my children as mementos of this occasion.

The Small Business Committee and the Armed Services Committee, on which both the chairman and I serve, are frankly very fortunate to have a Representative of the caliber and the quality as you have in Ike Skelton. I am also very fortunate to have a colleague like Mel Hancock, who has been a real leader in the issues of financial responsibility in Congress. So, it is a pleasure and a privilege for me to join these two distinguished people here on this panel, and I look forward to the testimony today on tourism as a tool for rural and economic development.

I represent a much smaller State than Missouri, but we have claimed for our title, America's first resort, and we have, in fact, a great deal of tourism in Newport, where I am from. America's Cup has been, perhaps, best known recently, but, Providence, our largest city, has recently made the Newsweek Top 10 Hot Cities. So, I would also encourage you to come, if you are on the east coast, to visit Rhode Island as part of your tourism plan.

Like your distinguished chairman, I have also been interested in tourism. He has been the leader in Congress, in my opinion, on trying to develop rural tourism. The trends and statistics which he has mentioned are important. Tourism is today the second largest employer in this country; second only behind the medical field. Missouri's tourism is growing leaps and bounds—4.3 percent of all employment here in this State is, in fact, in the tourist travel-related industries.

The average household in the United States this year will spend $3,900 on travel and tourism. That is only behind how much they spend on health care. Travel and tourism will, in fact, be one of 13 American paychecks this year; 7.5 million jobs. That has increased 43 percent over the decade. So, it is a real honor for me to be here. I have read this National Policy Statement which is, in fact, an association of the University of Missouri, and it is a wonderful document to help us on this road.

I look forward, with the chairman, to testimony today from your distinguished panelists in finding out how tourism can be a tool for the economic expansion in rural America, and, particularly, what Federal action should be necessary if the new policy is to be implemented effectively on behalf of our Nation's rural areas. I want to commend the chairman for holding this hearing, and I look forward to the testimony.

Chairman **Skelton**. Thank you very much.

We have our first panel today, and it is only fitting and proper, gentlemen, that the first witness be the mayor of my home town.

I will call the first panel. The names are on the signs: Mayor Cindy Dickmeyer, Mayor of Lexington; Dr. Robert Edmonds, president, the Scott Joplin Foundation, from Sedalia, Missouri; Bonita Townsend, Clinton Tourism Association, from Clinton, Missouri; Mr. Ray Byrd, president of Truman Lake Regional Association, from Warsaw, Missouri.

Would you folks please come forward and take your places?

We welcome you as our first panelists.

I might announce to the audience that we have three panels today. We will ask each panel member if they have a prepared statement, they may wish to offer it in full. Then, they may wish to give an abbreviated version of it. So, without objection, let the record show that all statements that are prepared will be placed in toto, and that the witnesses have the opportunity to summarize them.

Without further ado, we will recognize the panel. We will hold our questions until all panelists have testified. As I mentioned, we have two more panels following this one. Mayor Dickmeyer.

TESTIMONY OF CINDY DICKMEYER, MAYOR, LEXINGTON, MO

Ms. **Dickmeyer**. Thank you. Mr. Chairman and members of the subcommittee, on behalf of the citizens of the Lexington community, we are very grateful for the opportunity to present our testimony today concerning tourism and its relationship with the rural communities of America.

Tourism in rural America is unique, just as Lexington, Missouri, a rural town of approximately 5,000 people, is unique. The history of Lexington spans 168 eventful years from the western frontier to our present day.

Few midwestern towns can boast of the rich tradition and exciting heritage that belongs to Lexington, beginning as far back as 1804, when Lewis and Clark passed the site of Lexington en route to explore the Northwest via the Missouri River.

Settled during the 1820's, Lexington soon became a booming farm community and river town. Traders, fur trappers, and suppliers brought a brisk business to the community, which, for a few years, was the most western settlement from which outfitters sent caravans west on the Santa Fe Trail.

In the 1850's, the offices of the great freighting firm, Russell, Majors & Waddell, was established.

In 1859, this very firm inaugurated the famed Pony Express.

Today's noted Wentworth Military Academy was founded in 1880 and is still in operation today.

Many large, beautiful houses and public buildings were built during the 1840's and 1850's. The present Lafayette County courthouse was built in 1847 and has been occupied continuously, making it the oldest courthouse in the State of Missouri still in use. There are over 110 antebellum homes still standing in our community today.

In September 1861, the prosperity of Lexington was temporarily disrupted by the invasion of the pro-South forces during the Battle of Lexington.

The Anderson House, built in 1853, was used as a hospital during the battle. The battlefield is one of the few Civil War battlefields that has never been cultivated. This entire area is now a State historic site.

After the Civil War, Lexington once again emerged as a prosperous community, due to the coal mining industry becoming the economic mainstay of the area.

Finally, in the center of our history, we have the dedication of the Madonna of the Trail monument. She was dedicated on September 17, 1928, by a Jackson County judge, the Honorable Harry S. Truman of Independence. This monument is one of 12 that are located in the States through which the National Old Trails Roads ran. Lexington also has four historic districts listed in the National Register of Historic Places.

These are just a few areas of historical significance that we have in our small rural community. I have only tried to highlight a few of them to give you an idea of just how important Lexington's past has been in helping to develop this great country of ours.

Lexington is situated in the very heartland of the United States. We, as our forefathers, are the very backbone of this country. We are the laborers, blue collar workers, small business people, and farmers. We are proud of our past and work hard to protect and save what we have. We realize that Lexington has not made history, but that history is what has made Lexington. The preservation of this history is a vital part of our American heritage.

In recent years, rural areas have been plagued by a sharp decline in the agricultural industry, as well as the closings of many manufacturing industries.

Some rural communities, however, like Lexington, have the potential to support and sustain an economy based on tourism. Tourism, specifically historical tourism, can be an especially beneficial activity to incorporate within the economic structure of smaller communities and rural areas, due to the fact that tourism is an industry that requires a limited financial investment.

Because the major capital asset of this industry is, in fact, the natural or cultural resource itself, it, therefore, becomes an ideal vehicle for many rural areas to develop.

When most people think of tourism, they think of recreation. However, attractions are what draw tourists to a specific area. Tourism, therefore, cannot be considered a viable option for a community if there is not a marketable attraction to present.

Once your attractions have been acknowledged and established, there is an important need to be able to inform people about the attractions and services you have available. Tourism cannot support any rural community through any significant economic importance if it is not first perceived as an important industry to that community and is developed in that manner. Even though a community's stability should not be built on a single industry, sometimes you have no alternatives. Tourism may be your only means of economic stability.

In Lexington, we have acknowledged tourism as being a very important industry to our community's economic structure. However, it is not our only means of economic survival. We have several other industries and businesses that give us a small but diverse economy.

However, developing tourism as an industry in Lexington seems only natural. Tourism helps to expand our economic growth by stimulating future businesses, such as restaurants, motels, hotels, stores, and shops. This, in turn, helps generate needed additional revenue which can then be used to help make improvements to our city. There is really no limit to the amount in which our community could benefit from a prosperous tourism industry.

To help develop the tourism trade in Lexington, we have had two videotapes made. One is for tourism information. The other gives necessary information to an individual or company who might be considering locating in Lexington. We also send brochures and printed materials to the seven tourist centers throughout the State, as well as auto club offices, motels, and tourist agencies around the country.

For 4 years, we have had a Uni-sign located on Interstate 70 to advertise our community to motorists traveling through the area. We also advertise, from time to time, in outside publications on our community's activities. We arrange tours through the chamber of commerce office, and we are currently working with the Department of Economic Development to hold a regional meeting in Lexington this September.

Every 2 years, Lexington offers a 2-day historic old homes tour, which brings approximately 10,000 visitors to our community. Also, the Battle of Lexington State Park sponsors a Civil War battle re-enactment every 3 years. This is a 3-day event which brings in over 5,000 visitors from all across the country.

Lexington, as I mentioned earlier, is also the home of Wentworth Military Academy. This military school, dating back to 1880, has students attending from all over the world.

Lexington is an all-Missouri certified city, achieving a five-star status through the Missouri Community Betterment Program. We are members of the Missouri Travel Council, the Missouri Chamber of Commerce, and the Lafayette County Economical Development Authority. This committee tries to promote all of Lafayette County. Our Lexington Industrial Development Corporation is very active in promoting economic development in Lexington.

We all realize that it takes a united effort if we are to succeed. We have a very active Historical Society, which recently raised over $90,000 to restore an 1830's log house, the only known wooden structure still standing from Lexington's founding days, with the Santa Fe Trail passing both its original location and its present site.

We are very pleased that the State of Missouri has decided to put additional funds in the Battle of Lexington State Park to construct a new visitors tourism center and a summer kitchen at the Anderson House.

We are located in the heart of Missouri's apple orchard country, within an hour's drive of Kansas City, and not far from the recreational area of the Ozarks. Approximately 60 percent of all Missouri tourists come from the metropolitan areas. As I stated at the beginning of my testimony, there is something very unique about tourism in rural America, that the metropolitan tourists want to come and visit us.

One of the main problems that small rural communities face today, however, is the competition of the nearby metropolitan areas. We do not have the manpower or the resources to call upon as metropolitan areas do. There must be a more focused attention given to the small rural communities. Simply put, we need to be put on an equal basis as our larger counterparts. Our wagon wheels are just as rusty and squeak just as much as theirs. However, maybe they do not squeak quite as loud.

In closing, I have just one final thought to present. Lexington, as well as many other rural communities, is well worth a few days of anyone's time. Visitors can wander through museums, tour the old homes, dine, and shop, or just walk around and enjoy the beautiful scenery and relaxed atmosphere.

It is our sincerest hope and desire that our testimonies to you today will not go unheard and that many future generations of Americans and people from around the world will also be able to enjoy what the rural communities have to offer.

Through your dedicated commitments to develop and increase the tourism trade in rural America, this will become a reality.

[Ms. Dickmeyer's statement may be found in the appendix.]

Chairman SKELTON. Very well, Mayor Dickmeyer. Thank you very much. I appreciate your being with us.

Next, a man of many talents, Dr. Robert Edmonds, president of the Scott Joplin Foundation, from Sedalia.

TESTIMONY OF ROBERT EDMONDS, PRESIDENT, THE SCOTT JOPLIN FOUNDATION

Dr. EDMONDS. Thank you, Ike, and I would like to take this opportunity to personally welcome the Representative from Rhode Island for my wife and I, since we have a daughter now living in Providence, and we hope, in the near future, to join her at the Newport Jazz Festival and enjoy that.

As the home to classic ragtime composer, Scott Joplin, Sedalia is recognized throughout the world as the cradle of ragtime. As a celebration of this heritage, the Scott Joplin Foundation of Sedalia, Inc., just produced its 10th Annual Scott Joplin Ragtime Festival in historic downtown Sedalia. This event is the only festival in the United States devoted solely to classical ragtime, and features many of the world's finest ragtime composers, performers, and historians.

In producing this festival, the foundation faces many obstacles, due to the geographic location of Sedalia. Located 90 miles east of the nearest city, Kansas City, and with a population of 22,000, Sedalia serves as a hub for many small farm communities. Sedalia has many opportunities for tourism as the gateway to the Ozark Lakes for travelers coming from the north and west. While Sedalia has been successful at attracting industry, the total number of potential corporate sponsors and their available moneys is relatively small compared to the funding demands placed upon them by the Sedalia community.

Rural communities like Sedalia place the same demands on local organizations to provide the quality of life that metropolitan communities place on their cities. While the number of potential donors, in relation to donees, may be relative to rural communities, the hardships of fundraising are indeed much greater in a rural community.

Specifically, in Sedalia, the potential corporate sponsors are less than 10 businesses, with the giving ceiling typically around $500. This low-giving ceiling is due to the high number of ask's received by the corporations and their efforts to spread their budgets as far as they can go. Generally speaking, their giving budgets in rural communities are less than their subsidiaries in metropolitan communities. While this is a perfectly good policy, it shows immediately the limitations of the largest financial resources available to rural organizations.

After the large corporations, support is available from local businesses. Again, this pie is severely sliced-up by the large number of ask's, placing an individual funding limit in the neighborhood of $100 to $250. More realistically for the mom-and-pop businesses in a rural community is a giving level of $25 or less.

The Scott Joplin Ragtime Festival is being produced on a very small budget—$60,000—compared to most festivals its size. This is possible because it is produced by a volunteer board and committees, and there is little administrative overhead. Dollars earned go directly to the product produced. While this causes many organizational problems, it is the only way that the organization can operate with current budget restraints.

The annual Scott Joplin Ragtime Festival provides many benefits to the community. By promoting Sedalia as the cradle of ragtime throughout the world, the Sedalia community is assured a special place in the American musical heritage. This brings pride to the community and a sense of international importance.

The priority for the foundation is to develop the funding necessary to hire a full-time administrator.

Trying to be a big-time organization in a rural community is an uphill battle. The lack of funding resources, volunteers, and professional direction places the nonprofit organization in a difficult position. Compared to what an organization like the Scott Joplin Foundation can offer a community the size of Sedalia, the struggle is a valid and worthwhile effort. Our perseverance and small-scale success is a victory for other organizations in the community and the smaller communities around us. We offer to the world the opportunity to step back and enjoy life at a slower and more relaxed pace; the simple pleasures, sincere enjoyment, and a chance to just be yourself in a part of the world where nature and people are our greatest resources.

The economic impact of tourism on Missouri is widely documented, and State figures show that tourism is one of the most important industries for our area. Since the majority of businesses in rural Missouri are small or family-run, the impact of tourism is very important. Tourists from other parts of the State, as well as national and international visitors, play an important part in the potential tourist pool. Marketing by organizations such as the Scott Joplin Foundation, chamber of commerce, Convention and Visitors Bureau, and State tourist agencies is necessary to attract tourists and make the sell to bring them to a particular area.

We support the effort to target and analyze the U.S. international trade position with regards to tourism, as these findings are important to understanding our position with others providing similar services in other parts of the world. Tourism is an important trade to Missouri and should be regarded as such with the international market.

Most important for the Scott Joplin Foundation and the work that it does to promote Sedalia and its rural community is the development of the Rural Tourism Foundation. The Scott Joplin Foundation already draws tourists from Australia, Germany, England, Sweden, Canada, and Japan with its ragtime festival. To be able to work with a national organization with an international focus would provide the festival with greater channels of distribution for promotion and marketing and, at the same time, provide the Rural Tourism Foundation with an event that has international importance in a rural area.

As outlined previously, rural organizations are at a disadvantage when it comes to financial and administrative resources necessary for promoting tourism in their areas. An organized effort at the national level is an important step to provide rural organizations with the assistance necessary to better compete with other tourists areas.

The Scott Joplin Foundation of Sedalia publicly supports H.R. 4369 and is available for further information concerning the importance of this bill.

Thank you.

[Dr. Edmonds' statement may be found in the appendix.]

Chairman **Skelton**. Doctor, thank you very much. As usual, you have done a very thorough job in all that you do. The only thing that you left out was your rendition of The Maple Leaf Rag. Thank you so much for being with us.

Next, I would introduce this lady as being an old friend, but looking at her, she is not old.

Ms. **Townsend**. Oh, yes; I am.

Chairman **Skelton**. A friend through the years, Bonita Townsend, from the Clinton Tourist Association. I would like to say that we had also invited Dick Fleming from the Clinton Tourism Association to join us. Because of business, he was unable to be with us, and let the record show that his testimony will be inserted as he has presented it.

[Mr. Fleming's statement may be found in the appendix.]

Chairman **Skelton**. Bonita.

TESTIMONY OF BONITA TOWNSEND, SECRETARY, CLINTON TOURISM ASSOCIATION

Ms. **Townsend**. Thank you. I join the other people in welcoming the committee here, and I am excited that you are here to listen to our testimonies regarding rural tourism. It is exciting to me to be able to give you our testimony and that you do want to hear from us.

Believe me, Clinton, Missouri, is rural; Truman Lake is rural. I have attended the events in Sedalia and also Lexington, and it was interesting to me to hear that they faced the same problems that we do regarding fundraising and so on.

I have worked with tourism for a long time, since the lake became a lake in 1980, and we have had a long relationship, Ike, in working with tourism, and I have held offices in just about everything that can be related to tourism in Clinton and Henry Counties. Tourism became an important word in our vocabulary in 1980, when Truman Lake became a reality. At that time, our Clinton Area Chamber of Commerce began to search for ways to promote Truman Lake.

We were changing our economy in Henry County from an agricultural base to a tourism base, and that has been an interesting change in our area. We have had a long struggle, faced with many peaks and valleys. In the beginning, we were a group of people known as the Tourism Committee. Then, we had absolutely no idea what we were about.

We developed post cards, signs, brochures. We began to attend boat and travel shows with our information and established our Tourist Information Center. No one told us that we were poor, so, we worked on zero-based budgets. We were willing to beg, borrow, and coerce within all legal limits to gain our objective, to promote our area.

We developed media weekends, entertaining outdoor writers and media people to acquaint them with our area. The city hired an economic development person in 1984. He came to work with us and also brought funding from the city of Clinton. Later, our county commissioners joined in with funding.

We have worked with funding, be it matching funds, donations, like-kind contributions, and everything in-between. We are attempting to create more funding for our tourism through encouragement of a voluntary surcharge program that has been successful in other areas. That program is expected to raise $20,000 to $50,000 annually within the next 5 years.

We have attended events put on by the Missouri Department of Tourism and participated in their campaigns, such as "Wake up to Missouri Parks"; "Wake Up to Missouri," the legislative event held at Jefferson City Airport; "Savor the Flavor"; and the tourism "Road Shows."

We do not get very many foreign visitors, as we think of foreigners, in our area. To Clinton, Missouri, someone from the East can be considered a foreigner. No offense, Mr. Machtley, but we do welcome you to our area.

Mr. MACHTLEY. I'm considered a foreigner even in my own State.

Ms. TOWNSEND. We have hosted the Association of Great Lakes Outdoor Writers, AGLOW, and last year we hosted the Missouri Tourism Commission. We have hosted bass tournaments, crappie tournaments of all kinds and sizes, and are very, very proud of our accomplishments.

We have seen our lake grow to be known as one of the hottest fishing lakes in the country and our area to be known as one of the designated growth areas of our State.

Our community has actively sought industry and has, in fact, a new boat manufacturer, Tracker Marine, which is a subsidiary of Bass Pro, Inc., from Springfield. We feel that tourism has successfully been developed in Clinton, Missouri, a whole new educational process for a rural community such as ours.

We are seeing many changes taking place. Those of us who have volunteered for so long are tired, and we see no new funding coming our way. No moneys in the community to pay for a full-time director of tourism. Merchants and small business people have given to the limits of their ability freely, but are now faced with more expenses, a slow retail economy, and more taxes, and are not able to give to us as they once could.

Visitation and tourism dollars around our lake have been declining the last 2 years. Some of it is due to adverse weather conditions. Some of it is due to a faltering economy in the cities.

The auto industry has had layoffs in both Kansas City and St. Louis. This has impacted our lake because these fellows are our bass fishermen. The startup of new businesses in our area is down. A lot of our established businesses are for sale and cannot find buyers, and that is due a lot to lack of investment capital. Our business owners are weary. Our lake is a very busy place. It takes long hours, hard work, and a lot of patience to deal with the public. They want to retire and relax. Some of them were early retirees from other fields and now want to enjoy those benefits.

We became very excited in our area with the announcement of the expansion of Whiteman Air Force Base and the coming of the Stealth bomber and support wing. The military personnel are an important addition to our communities and also to the tourism industry because they are fishermen, and duck, deer, and turkey hunters. They bring their families to the lake, to our attractions, shopping, antique stores, our fairs, and festivals.

Now, it is rumored that this expansion might not be as great as first announced because of cuts in the defense budget. This is of grave concern to our town, county, and State. Everything seems to come back to budgets, be it city, county, State, or Federal.

I have no easy solution, but I see a great need. Could we develop a system of advisers on the Federal level to meet with tourism groups and develop programs for their specific areas? Could we develop programs that could be administered by our own folks—not just give money but ideas, support, and so on? Let us not be one more group demanding moneys from a Government that we all know is operating on a deficit, but rather, let us have meetings of folks with a common problem and sit down with these experts to arrive at a common solution that could be helpful to us all. Discussions in which I have taken part have had a common theme—we all say, "We need a leader, a resource person, a developer."

I am very excited about the development of a Rural Tourism Foundation and will be anxiously watching the foundation and the Tourism Development Study as they come into being. I urge you to have rural folks involved and on those committees. Hopefully, the previously stated ideas can be incorporated.

We have worked closely with the Corps of Engineers in the development of the Harry S. Truman Reservoir. We look forward to this latest development in our world of tourism and hope that we can work together in the future to make a real economic impact with our tourism dollars. Thank you.

[Ms. Townsend's statement may be found in the appendix.]

Chairman **SKELTON**. Bonita, thank you very much for your excellent testimony. It is good to have you.

Next is Mr. Ray Byrd, the president of the Truman Lake Regional Association from Warsaw, Missouri. I might add, when I was first campaigning for Congress, in my early days in Congress, some of the major problems that we had, Ray, were right down there in your neck of the woods, and, as you know, those problems, with a lot of persistence and excellent local cooperation, were solved—a good number of them with the Corps of Engineers. We will have testimony from them a bit later.

But, things did work out, and this is, really, I am convinced, one of the best-kept secrets in America, the Truman Lake area.

So, Mr. Ray Byrd, we welcome you, sir.

TESTIMONY OF RAY BYRD, PRESIDENT, TRUMAN LAKE ASSOCIATION

Mr. **BYRD**. Mr. Chairman, members of the panel, thank you for asking me to come here to give testimony. I did this on the spur of the moment because I did not decide until Thursday that I was going to be able to come, because this is the Fourth of July weekend, and this is when we do our business.

Chairman **SKELTON**. Ray, we appreciate your being with us.

Mr. **BYRD**. The future of most rural communities will be impacted greatly by tourism in the future. Due to lack of major transportation, such as super highways, rail and air links, small rural communities must depend on farming to survive. This is not totally possible now and will not be in the future.

Small communities must join together and pool their resources to attract tourists to their area. Each area has its own uniqueness that would appeal to certain segments of the vacationing public. Your area may not become a destination vacation area, but, if promoted properly, it could be a stopoff place for vacationers.

On my testimony, I attached a couple of surveys that were done by the State of Kentucky on tourism and what it does to the area. For each new 50 jobs that you create with tourism, there are 25 other jobs that are nontourism related—such as wholesale trade, finance and insurance, real estate, manufacturing, transportation, construction, and mining.

My area of the State, as you said, is blessed with two of the best-known recreation lakes in the Midwest, Truman Lake and Lake of the Ozarks. The main focus of the lake association promotions are for Truman and the upper Lake of the Ozarks. The Truman Lake Association promotes the area by attending 14 sports and vacation shows throughout the Midwest. We hand out literature about the area and talk to people who are interested in visiting our area. We distribute approximately 80,000 to these shows, then we mail out another 10,000-15,000 to people who write to us, or the local chamber of commerce, or the State Tourism Department.

The Truman Lake Association worked with the Pomme de Terre and Stockton Lake Associations to have our area of the State designated the ninth tourism region of Missouri. The new tourism area will be known as the Osage Lakes Region. We believe this will give us a little more recognition from people who have come into the State.

Two of the most exciting things that we are doing are: Our voluntary surcharge program for the promotion of tourism in our area; and the pursuit of investors to build a theme park in our area.

The voluntary surcharge program will provide much-needed money to promote tourism in our area. State and Federal advertising assistance is tailored toward areas that have large amounts of money to participate in co-op ad campaigns. It is hard to raise even half the funds for a well-run radio or TV ad campaign like you see for Branson, Kansas City, St. Louis, and the Lower Lake of the Ozarks. Small businesses in our area have fallen on tough times the last 2 years due to the decline in visitation to our area, because the newness has worn off of our lake. We are not appearing in all the fishing magazines as the hottest lake in America anymore. We have to do something to change the one-dimensional concept of our lake area.

Going to sports shows as we do, we are asked, "What else is there to do in the area besides fishing and water sports?" We tell them of the many antique shops and historic points of interest in the area, but they want more. We are working on giving them more.

In September 1989, the Truman Lake Association hired a firm to do a feasibility study on our area to see if it was a suitable place to build a theme park. The results of that study were positive, and we are working on finding suitable investors to build a theme park in the Truman Lake area.

You can see by the attached charts what an impact it would have on our area. First year revenues of the park are projected to be $3.5 million. A study conducted in the San Antonio, Texas, area on the overall impact of a Sea World in that city showed that the area would realize an additional increase in new revenues of six to eight times the gross receipts of Sea World. Apply this to our area with just a five-fold increase in total revenues, and it would amount to approximately $20 million extra in the Truman Lake area per year. This will stop the closing of businesses in the area and halt the decline in visitors.

We have come this far on our own without outside help, but it is now time for the State and Federal agencies to invest in our area. This is an investment, because the sales tax on $20 million at 5 percent is $1 million return. The increased State and Federal taxes would soon pay back that investment.

Anything that could be done would be appreciated. There are probably existing programs that can be utilized; we just need to be pointed in the right direction.

Thank you.

[Mr. Byrd's statement may be found in the appendix.]

Chairman **Skelton**. Ray, thank you for that excellent testimony. We appreciate your being here.

Mr. Machtley.

Mr. **Machtley**. Thank you, Mr. Chairman. I want to thank the panel very much for their very, very fine testimony. Dr. Edmonds, if your daughter is not able to put you up and you need a place to stay when you get to the jazz festival, please call me. We have an extra room. If you cannot stay with us, we will find you someplace else.

Dr. **Edmonds**. Thank you. I will remember that.

Mr. **Machtley**. One of the things that concerns me is the coordination between the local, State, and Federal Government to get tourists to beyond LaGuardia Airport, which I left earlier this morning, and beyond Disney World, to rural America, to see things—particularly foreign tourists. So, my question relates to your experience and what we should do at the Federal level to help foster some coordinated program. We are seeing, statistically, a 49-percent increase in foreign travel to this country, and if they all just go to Disney World and New York City, I am afraid that they will all go home with a very different opinion of what America is all about. That is the first part of the question.

The second part is, your State has done a very fine job in spending a great deal of money, and you are to be commended. I was looking at a graph; you are the seventh-rated State in 50 in spending travel tourist advertising dollars—spending $4 million to get tourists here; you are just behind Florida and above Hawaii. It is amazing that your State spends that much. So my second part of the question is, what impact has this had on tourism in the last several years? Is there a relationship between spending dollars and getting tourists? I would open that to whoever would like to answer either all or part of those questions.

Dr. **Edmonds**. I can speak from the foundation, as far as having what is an internationally famous, in the music world, festival. We have had a problem in getting on the State's tourism brochures, mailings, and such, because there has been a tendency—and others may reflect this or agree with me or not, and I will open this to them—there has been a tendency of the State agencies to look to the metropolitan cities for where do the tourists need to go, and not to include what are some excellent resources historically and otherwise in outstate Missouri.

For instance, as of this year, even with many, many tries, we are not, in this 10th Annual Ragtime Contest, listed as an event in the State's tourism brochure, even though we have tried. People coming into our State, coming to our festival, have stopped at tourist agencies on the borders and, when asked, "Why are you going to Sedalia," they say, "We're going to the ragtime festival." They are told, "What's that?" So, anything that can be done to encourage at the State level for them to give recognition to rural events as easily as they do to metropolitan ones, would be very greatly appreciated by us.

Do any of the other panel members have any comments?

Ms. **Townsend**. Yes; I have a tendency to agree. Do you, Cindy?

Ms. **Dickmeyer**. I think that we get left out. I am probably the smallest community represented here, and I think that we have a tendency to get put on the back shelf in comparison with larger metropolitan areas. Part of this is noticed through our State and Federal funding of highway improvements and bridge improvements. Our community, years ago, was the center of two highways merging and crossing through; one going north and south, one going east and west. With the improvement and building of I-70 to the south of our community, a lot of people, when they travel, go from one large metropolitan area to another on vacations. They bypass the rural communities and the scenic routes as such. So, from what we can gather in our community, as far as improvements and updates on the highways in our community, there is nothing in the near 15-year future of any type of big improvements or expansions on the highways in our communities.

We did find, several years ago, in putting signs on I-70, instead of just saying, "Lexington Turnoff Exit, so many miles," they put, "Battle of Lexington Confederate Park" and things like this on the roadside exit signs, and that has helped. Those are things being done that are not dollars that our community has to spend. Those have to come from someplace else.

Ms. **Townsend**. It all seems to be about dollars. In order to participate in some of the promotions offered by the State, they ask for matching funds, and that is why we were excited about the voluntary surcharge, because, that way, we might be able to get the funding together to participate in those promotions.

Naturally, the larger areas have the most money and, therefore, have larger promotions. I see, in answer to part of your question, a need for coordination of activities. I do not know how that can come from Federal, State, to rural, but I think that there has to be a way, whether it be meetings, coordinators, or whatever. We have passed the time that we can all do our little thing and have it work. We need some kind of coordination. I do not know whether you all agree with me or not, but I think that might be an answer.

Chairman SKELTON. Thank you.

Mr. MACHTLEY. Could I just ask for a clarification on this second part of, "have you seen an increase in tourism as a result of the expenditure of money?" A classic example—I do not mean to be critical of Kansas—but Kansas only spends $171,000 ——

Chairman SKELTON. You can be critical of Kansas all you want. [Laughter.]

Mr. MACHTLEY. Kansas ranks 50th in the Nation in dollars spent. They only spend $171,000 on tourism. I am just curious; maybe it is a case of nothing to see, but——

[Laughter.]

Ms. TOWNSEND. We go through Kansas at night.

[Laughter.]

Mr. MACHTLEY [continuing]. But, there is obviously a relationship in dollars spent and more tourism.

Mr. BYRD. Yes; I think that the State of Missouri has just come up to this point in the last few years. It had not been many years that we were right in there with Kansas. It has increased to where tourism in the State of Missouri is the number two industry in the State, and the State has some good programs, but, as I understand it, the coordination is hard. We have nine regions, but we just have regions. There is no cooperation or coordination within those regions to get everything in that brochure that should be, and maybe, if this State had a representative from the tourism department who was in charge of a region and getting this brochure together.

In the brochure that we put out, we try to get from small communities a list of all the activities that go on through the year, so that we can put it in there and give it to people. It is hard to get the communities to do it. You ask will the increased spending do it? It will do it on a small scale.

With that brochure, every time we go to a new show, like in Chicago—I rent a group of cabins—I more than pay for my ad in that on just the new business that I get out of Chicago. The same thing when we went to Indianapolis—we more than paid for that $2,000 ad, just out of the business out of Chicago. So, if the increase in spending is spent right; yes.

Mr. MACHTLEY. Thank you, Mr. Chairman.

Chairman SKELTON. Thank you. Mr. Hancock.

Mr. HANCOCK. From the comments that you just made, there seems to be a lack of coordination at the regional level. I do not understand exactly what causes it, but I think it is a problem. I think that is something that should be addressed to the Department of Tourism in the State of Missouri.

Other than that, I would like to compliment this panel. I appreciate your taking time on a Saturday to come up here. It is important to rural America. After flying back and forth to Washington in the short time that I have been in Congress, it has been proven to me that we really have something here in this area to be proud of. I think that we need to do everything that we can to keep it that way, and I appreciate the work that you all have done.

Chairman **Skelton**. Thank you, Mel. Ladies and gentlemen, thank you very much for your testimony.

The only thing that has not been touched on—Ray, you may be interested in some of the testimony, and I don't know whether you can stay or not, of Col. Atkinson when he testifies for the Corps of Engineers about some of their thoughts downstream. So, maybe, a little closer visit with those folks might be of interest to you.

Ladies and gentlemen, thank you for your attendance and your excellent testimony. We will move to the second panel. Thank you.

I introduce, ladies and gentlemen, panel 2: Col. John Atkinson, district engineer of the Kansas City District, U.S. Army Corps of Engineers. I might say, with a bit of sadness, that John Atkinson, who has served in this post for some 3 years now, in a most distinguished manner, has just 12 days more until he takes his uniform off and heads to the University of Missouri to become a professor and one of the leaders in the department of engineering there. We are pleased that John, a fellow Missourian from Fulton, is making his roots back not too far from his own home town. I congratulate you, John, on an outstanding career. We will miss you in your uniform, and we will see a lot of you, hopefully. You have served your Nation well.

Col. **Atkinson**. Thank you, sir.

Chairman **Skelton**. Mr. Wayne Muri, the chief engineer of the Missouri Department of Highways and Transportation, Jefferson City, Missouri. Wayne, we appreciate your being with us. We have had excellent briefings from you in the past, and we want to thank you for that.

Stephen Kappler, a public relations manager, Missouri Division of Tourism, also in Jefferson City. Steve, we thank you for driving up this morning.

Colonel, we will start with you.

TESTIMONY OF COL. JOHN ATKINSON, DISTRICT ENGINEER, KANSAS CITY DISTRICT, U.S. ARMY CORPS OF ENGINEERS

Col. **Atkinson**. Thank you. I will make an abbreviated statement. My full statement has been submitted for the record.

Mr. Chairman and members of the subcommittee, I am pleased to be here today on behalf of the Assistant Secretary of the Army for Civil Works, Mr. Robert Page, to aid the subcommittee in the review on attracting international and domestic tourists to rural areas in the United States.

Your letter of invitation requested that I discuss the recreation programs administered by the Corps of Engineers and address Corps of Engineers policy concerning leasing of Corps-administered lands. My testimony will focus on the Kansas City District.

The district is responsible for the administration, operation, and maintenance of 18 multipurpose water projects in Iowa, Nebraska, Kansas, and Missouri. These 18 lake projects encompass over 373,000 acres of land and over 200,000 acres of water. We received over 6 million visitor days of use last year, and about $1.1 million in user fees. About $16 million are collected nationwide each year; this compares with annual costs of about $7.8 million for the Kansas City District and about $164 million nationwide.

The lake projects vary in character from small urban lakes such as Blue Springs, with a water surface of about 720 acres, to large, regionally known lakes such as Harry S. Truman, with about 55,000 acres of water. About 160,000 acres are licensed to the States for fish and wildlife purposes. Another 47,100 acres are leased to various entities for public park and recreational development.

Project lands are leased to private concessionaires to provide needed recreation facilities such as marinas, campgrounds, and other forms of overnight lodging. Private investment in these concession sites is estimated at about $19.5 million across the Kansas City District. Revenues collected from these concessionaires amounted to $141,000 in 1989. I should point out that is 1 percent of their gross, and by law, 75 percent of that is returned to State governments.

We are aware of the impact that projects have upon rural economics. More than $2 million of work is by local contractors each year, and our own payroll is over $5 million. Corps land management is guided by a recreation master plan, which is site specific. It focuses on recreational needs, while providing the long-term stewardship of Federal lands.

Intensive private developments are generally not allowed. However, such developments as lodge resorts or golf courses can be permitted, where feasible. Some Corps projects do have the potential to support a variety of additional recreational facilities. Some Kansas City District project concession sites are now only marginally profitable because of the short recreation season and low population base.

The Office of Chief of Engineers is conducting a special study, focusing on ways for maintaining or enhancing recreational opportunities in Corps projects, while reducing Federal expenditures. The foundation of the study is to be the development, enhancement, and operation of recreational facilities at Corps projects by non-Federal public agencies and the private sector. The study report is scheduled for completion in September 1990 and will be made available to the public when released by the Assistant Secretary of the Army for Civil Works.

The Corps of Engineers enhances tourism by providing programs to inform the public about recreation facilities available on Corps-managed public lands. We focus on information brochures, public campground programs, representation at State fairs and regional sports shows, and contacts with news media to tell the Corps story and acquaint people with Corps recreation facilities.

Some projects are quite active in promoting special event programs. The July 4th Sundown Salute at Milford Lake in Kansas, the Black Powder Rendezvous at Pomme de Terre Lake, and the Heritage Day Celebration on Harry S. Truman Dam and Reservoir in Missouri are some extremely popular examples.

We have been particularly active in regional tourism councils. As I understand it, Pomme de Terre, Harry S. Truman, and Stockton Lakes are now in a separate Missouri tourism region. The Office of the Chief of Engineers promotes Corps projects nationwide through the publication of regional recreation brochures and through participation in Federal lands programs such as Take Pride in America and the Woodsy Owl Environmental Cleanup Programs.

In summary, the Kansas City District recognizes the potential that its lake projects have for promotion of rural tourism. We cooperate to promote local tourism, but our mandated task is to operate and maintain these lake projects.

Mr. Chairman, this concludes my statement, and I thank you for giving me the opportunity to comment before your subcommittee.

[Col. Atkinson's statement may be found in the appendix.]

Chairman **Skelton**. Thank you, sir. Wayne.

TESTIMONY OF WAYNE MURI, CHIEF ENGINEER, MISSOURI HIGHWAY AND TRANSPORTATION DEPARTMENT

Mr. **Muri**. Mr. Chairman, thank you very much.

First, I would like to thank the U.S. Congressman. I cannot believe that with the fast track that you are on in Washington, you take time to come here today. We really appreciate it.

I have prepared some remarks. I think that you have those. I would like to give you some personal viewpoints, if I may, rather than refer to those, because there are some items that are very, very critical to us.

Chairman **Skelton**. I stated earlier that all statements will be included in the record, and you may proceed and summarize.

Mr. **Muri**. Thank you very much. I am wearing several hats here. One hat is with our Department of Transportation. Tourism and small business is a big, big item with us. Certainly, transportation has something to do with those items, so, we have some deep concerns.

I might mention also that I wear a few other hats. One is that I am chairman of the 2020 implementation team for the National Transportation Program for the Association of State Highway Officials. As you know, there is a new transportation policy that is on the front burner. Beginning October 1981, there will be an absolutely new game plan for transportation for this country. There are some very, very key parts of that which have to do with tourism, particularly scenic byways.

I also wear another hat, and I am chairman of the Transportation Research Board. That is an arm of the National Research Council of the President, and we are taking a very, very deep look at transportation, how it relates to business, tourism, jobs, and all of those kinds of things.

Let me give you sort of a personal viewpoint on some items as you think about tourism and transportation, which I deal with. I am a sort of a semi-resident-native of the Lake of the Ozarks, which is in the middle part of our State. You might be interested to know that while that is one of my favorite places, I seldom go there anymore. Why not?

If you were down there today, and you were trying to get there from the Bagnell Dam area to Camdenton, you are probably looking at 45 minutes, and this is only 10, 12 miles—maybe 15. Heaven forbid if you were trying to get to the other side of the lake over in the Laurie area—and this is all part of the same area—you are looking at an hour and a half, because of congestion. I do not go there anywhere; when I do, I go to where my destination is, and I stay there. I do not visit different places, and I think that you ought to hear that, hear that, and hear that.

I think that it is interesting to note the music folks behind me from Branson. My wife and I both really love the music shows down there. I thought that you might find it of interest that I was down there a couple of years ago. They had about 20 music shows. I think there were 2,000 people there at this one. It took us more than 45 minutes to get from our motel, which is on Highway 76, very close to the show, to get in there. There were 2,000 people, and 1998, I am convinced, we are talking about the Highway Department.

[Laughter.]

I hunkered down, and I did not share with them who I was.

[Laughter.]

Getting out of there took about an hour.

Another thing that might be of interest to small businesses, 10:30 this Wednesday night some folks called me from up in the Macon area. They just had 20 people looking at how can we bring in some small business and tourism types of things. When they left, they told the folks in that area, "When Route 63 is dual lane and 36 is dual lane, you call us, and we will come back." So, transportation is a little bit key.

As we try to look at this from our department and what we do, we are making some steps. Thank goodness the folks in this State passed a 4-cent fuel tax so that they, at the State level, are trying to help themselves, but we have a long way to go. Most of our system was built in the 1950's and the 1960's—almost all of it. It is at the point now where it is old. We have traffic double, triple, quadruple of what we expected. We have an old system and too much traffic, and the funds that we have almost completely go to working on that old system.

What does that mean as far as tourism? You listened to the folks from Clinton—if you traveled Route 7/13—and Mel, I am sure you have, and you have told me, "We cannot, where we have growth, in this kind of a situation, keep up with those kinds of things." So, we have some real, real problems.

I would like to offer three items to you because I think that a lot of folks in this country are tired of listening about problems. They want to start listening to solutions. There are three things at the Federal level which are more vital to transportation, and any one of them more vital by themselves than anything that I have seen in the last 30 years regarding any transportation. When you compound those three things, it is tremendous.

The number one item is that there will be a new transportation policy. The State impact for Missouri on this is tremendous. Two ifs: If, simply, Missouri receives something comparable back from this Federal program as what we pay in, and another if, if the money that is paid in through the Federal fuel taxes comes back to the State is not withheld, it would almost double Missouri's construction program. That would have a tremendous effect on the routes that we are talking about.

The second item—and this one really has us frightened, and I hope that we have been unduly frightened —is the deficit. Will there or will there not be a fuel tax for the Federal deficit purposes, to help pay it. Almost every other country in the world has done that.

We feel very, very vulnerable. All I can say to you is that it is unbelievable. Missouri drivers are some of the highest users per driver of gasoline in this country. So, you see who would pay the Federal deficit? The real killer, we think, is that we know from all of our past studies that when the taxes and fuel costs go up, some of the driving is not done, and what is that? It is discretionary driving—the driving that you do not have to do. That is not going to the grocery store, the doctor, the hospital, or whatever—it is tourism, and we know what is going to happen there.

The third issue is clean air. All of us want to breathe clean air. Who has been targeted as the culprit on clean air? As you know, transportation, cars, and trucks. We are certainly for clean air.

One thing looked at is alternate fuels. Gasohol is one. The House version that came out is mandated to be 3.1 percent oxygenated fuels. We are not against that, but I would ask Congress to take a hard look, because, as you know, the tax on gasohol is 3 cents, not 9 cents. If two-thirds of the Federal taxes are eliminated from gasohol—simple arithmetic—what does that do to the road program? Tremendous loss.

We appeal to you. Gasohol, if mandated, why subsidize it? It does not make any sense, in our opinion. If you mandate it, you are going to use it, anyway.

I just leave you with this. These are some very, very critical problems. I do not envy your task at all because I see the question is not one of need; it is one of priority. What will have priority in the future? I do not envy you with that task.

Thank you very much.

[Mr. Muri's statement may be found in the appendix.]

Chairman SKELTON. Thank you, Wayne, very much. Mr. Kappler.

TESTIMONY OF STEPHEN W. KAPPLER, PUBLIC RELATIONS MANAGER, MISSOURI DIVISION OF TOURISM

Mr. KAPPLER. Thank you.

I am here today on behalf of our director, Marjorie Beenders, who is in Chicago this morning, talking to the National Newspaper Publishers Association.

If Marjorie were here today, I know that she would tell you about tourism and how important it is to the State. It is our second largest industry, as has been cited. Last year, travelers spent over $5.8 billion in Missouri, so, it means a lot to our economy, and it means a lot in terms of tax revenue as well—over $600 million in Federal, State, and local taxes are generated by all that traveler spending. That tax revenue obviously goes to help fund education, road repairs, medical care, and other vital State services.

We know that over 132,000 Missourians are currently employed in the travel industry, which is also a very important aspect of our business, and it is significant that well over 90 percent of those businesses are, in fact, classified as small businesses. So, they are not businesses such as Six Flags and Worlds of Fun, and they are not really typical of the industry. We also know that tourism is important to all of the United States, based on the figures that have already been cited here today. It is a very important industry throughout our Nation.

So, today, obviously, we are kind of focusing on rural tourism and how to develop international tourism in Missouri. I think that right now, the travel industry has obviously benefited our metro and urban areas a lot. They have a lot to offer, They have gotten a lot in return. However, rural Missouri already is profiting from tourism. Lake areas, such as the Lake of the Ozarks, the popular Branson area, which Mr. Muri was mentioning, have benefited a lot. In those areas, tourism is the number one employer and the number one industry.

Right now, there are other areas in Missouri which are on the verge of becoming equally important. They have the potential to become magnets for travelers—lake areas such as the Harry S. Truman and Stockton Lake areas. Smaller communities such as Lexington, Sedalia, Clinton, and Warsaw, all have the things that travelers are looking for and have the potential to contribute substantially to our tourism industry.

We know that the rural communities are suffering as agriculture becomes less of a family enterprise and more of a corporate enterprise. The number of family farms are declining. The large industries that have the potential to employ a lot of people are deserting the rural areas. So, tourism has a lot of potential for future development in Missouri.

I think that the key, as far as Government is concerned, is to make Government a full partner in development of tourism in rural Missouri, and I mean government at all levels. The division of tourism, at the State level, already has a number of programs in progress and available for rural tourism development, and I should say, at this point, that our mandate is to promote all of Missouri, rural and urban, as equally as possible, given the resources that we have.

In spite of the relatively large ad budget that we have developed over the last few years, we are a very small State agency, as State agencies go. There are only 16 of us in Jefferson City. However, we do have some programs that would be of particular help to developing tourism in rural Missouri.

One of them is the Missouri Tourism TEAM, which is a volunteer program. It is an acronym that stands for Team Effort Advances Missouri. We have volunteers throughout Missouri who are experts in some aspect of tourism development. Upon receiving a request from a community or an area for assistance, we can tap the appropriate TEAM members, who will then go to the community and meet with them to give them suggestions on how to develop a brochure, how to market tourism, or how to put on a special event.

Another program that we have is our radio advertising contest. Now, we do have cooperative advertising, which is a 50-50 cost mix. But, in our radio advertising contest, which we have every year, we solicit entries from small, nonprofit attractions, events, or communities, and select about 50 or so winners each year. For these winners, we produce free radio commercials. We produce them for free. We air them for free in markets and on radio stations that are most likely to help those winners.

For example, the ragtime Festival in Sedalia has been one of our winners in the past, and we have produced free advertising for them.

Our publications, of course, are the main thing that the travelers see—our travel guide, our calendar of events. These all offer free listings for attractions in rural Missouri.

In all of the promotional events that we put together, we try to make them as inexpensive and as easy for underfunded promoters to participate in as possible—things such as events oriented toward the legislature, oriented toward the news media. We do things that would enable people who do not have a large promotional budget to get involved in our promotions.

For example, one that comes to mind is a postcard mailing that we did a few years ago to tour operators throughout the United States. Anyone in the business who wanted to participate could do it simply for the cost of the postage of postcards. By doing that, we had a different postcard from a different attraction in Missouri going to all these tour operators, 2000 tour operators every day throughout the entire summer, and yet, for each particular individual participant, it cost like maybe $100 for postage, and that was it.

We hope, in the future, to have a cooperative funding program that will be based on our nine regions. This will call for a particularly strong regional organization in each of the nine regions, but, as our budget increases, we would then provide dollars to the nine regions for their promotions for their particular development efforts. This would be on a matching basis, but it would be coming right out of our budget and going to a regional organization.

International tourism, real briefly. We know that international tourism has become America's top export last year, as people coming into the United States spent more money for the first time than Americans traveling outside the United States. Our problem here in Missouri is no awareness. As has been mentioned, people tend to think of the two coasts and nothing in-between. So, we are trying to get people who have been to the United States, who have been to New York, perhaps, Disney World, Las Vegas, whatever, when they come back to the United States on their second or third visit, we hope that they will come to the Midwest.

We are promoting currently, through two regional organizations—one is called America's Heartland; the other is called Mississippi River Country—both are multistate groupings, and the premise, obviously, is that we can get people to come with the appeals of several States more easily than just trying to convince them to come to Missouri.

Our director, Marjorie Beenders, went with Governor Ashcroft in February to Japan on a trade mission. We were very pleased to be included in the Governor's mission for the first time. We also work independently to try to draw international visitors to Missouri. We are encouraged that there seems to be more interest in people looking for alternatives to the traditional east coast-west coast destinations.

On all of our international promotions, we do work with USTTA, and we found them to be good partners. I think that they are very professional in what they do and are limited only by the budget that they have available to them.

Chairman **Skelton**. Just a little side note—a footnote for you. The United States spends exactly the same amount of money on tourism as Madagascar does.

Mr. **Kappler**. That is true, and then, I believe that the State of Illinois has a larger promotion budget than the USTTA.

We also work with other Federal agencies, such as the Corps of Engineers, the Park Service, and the Forest Service, and we found them all to be good neighbors in working with us on promoting tourism.

I think that the only area that improvement is really called for in is the coordination that has been mentioned earlier. Quite often, with agencies trying to promote tourism, the left hand does not know what the right hand is doing, and you have some overlapping jurisdictions and some confusion, and I think that we all need to work on that.

But, we are always eager for new ideas. We want to work with everyone in Missouri, and at the Federal level as well, in promoting tourism.

We appreciate Federal initiatives, such as H.R. 4369, and we will certainly work with anyone to promote tourism in Missouri, anyway, anytime that we can.

Thank you.

[Mr. Kappler's statement may be found in the appendix.]

Chairman **Skelton**. Thank you so much. We appreciate your being with us. Mr. Machtley.

Mr. **Machtley**. Thank you.

Mr. Kappler, you indicated in your testimony that approximately $600 million in tax revenue is generated from tourism and traveling. Have you seen—and again, I am not familiar with past expenditures of advertising; I am trying to draw some conclusion—do you generate more tax dollars, do you generate more tourists, do you generate more travel by spending more to advertise? That is the first question.

The second question is, do you have some sort of affirmative action in your State budget to allocate a certain amount? We just heard, as I am sure that you did from the cities, about an allocation to rural America.

Your State, I am sure, is no different from mine; the heavy hitters, the big guys in the legislature come from the metropolitan cities, and they are probably screaming, "I want all this money for the cities."

How do you deal with those two questions?

Mr. **Kappler**. As to the first question, our budget has increased dramatically in the last 3 or 4 years, which makes it difficult for the numbers to come in very quickly on how we are doing. I think that tourism, in general, in Missouri has been a growth industry in Missouri for the last 10 or 15 years. The trend has generally been upward. It is difficult to measure what impact our spending has on tourism in Missouri because there are so many other people out there also promoting. Six Flags over Mid-America at St. Louis has a large promotion budget. The city of Kansas City does their own promotions. So, all of these things impact on how many people come into the State, and it is difficult to say how much of it is due to our work versus their work, or if it is all working together.

As to the second part of your question, we do not have a definite percent for urban—this percent for rural split in our promotion budget. As I say, our overriding philosophy is to promote all of Missouri as equally as we can. Obviously, the large concentration of attractions in areas such as St. Louis and Kansas City means that we do promote those areas quite a bit. But we are always open to any suggestions that we can encounter on how we can promote rural Missouri more effectively.

Chairman SKELTON. Mel.

Mr. HANCOCK. During the testimony, it was mentioned that we need to do something about that region. Has that been handled?

Mr. KAPPLER. Yes; the ninth region does include Stockton, Pomme de Terre, and Truman.

Mr. HANCOCK. I am glad that my work was successful. I had not been informed that had been accomplished, so, I am a little bit behind at times.

Mr. BYRD. The new region is the Osage Lakes Region.

Mr. HANCOCK. I know what they were calling it. I worked on it with Bill Marshall, in fact, but I did not know that it had gotten accomplished. I only hear when things do not go right, I guess. Do you think that is the case?

[Laughter.]

Mr. HANCOCK. Anyway, I appreciate all the work that the Missouri tourism group has done. I have one guest and I would like to recognize him. Mark Trimble, who is the owner of the Shepherd of the Hills Farms in Branson, and, also, he owns what I think is the only drive-through cave in the country called Fantastic Caverns in Springfield.

I appreciate your testimony, and if there is anything that we can do as a committee, and that I can do as a member of the committee, I hope that you will contact me.

Thank you.

Chairman SKELTON. Thank you. Mr. Kappler, it seemed, if I recall Ray Byrd's testimony, there was some question as to just how effective these new regions are. I would hope that you folks would contact him and follow through on that.

Why in the world can't we get the Scott Joplin Festival on the State of Missouri tourism calendar?

Mr. KAPPLER. Actually, Mr. Skelton, the Scott Joplin Festival is featured on our calendar of events. I think that the publication that Dr. Edmonds was referring to was our Missouri travel guide. We have a two-page section in there on festivals. It is intended to refer to the calendar of events, not to particularly list every festival in the State. Actually, any time that a travel guide goes out of our office, it is accompanied by the calendar of events, which does, in fact, list the festival.

Chairman SKELTON. Col. Atkinson, in your prepared testimony, you have some items, some words in there relating to developments permitted on lake areas. I would strongly suggest that this might be of interest to Mr. Byrd and his association, without going into detail on that.

I think that the biggest problem that we have, Mr. Muri, is in the transportation area. We attempted, without success, to get a significant study of a bridge down on Highway 54. As you will recall, it does not fit the exact scope of the Federal law as to whether we can put a bridge across one of those arms of the lake down there. Are you familiar with the efforts that were made a couple of years ago? Getting to and from is a major problem. People who are vacationing are certainly not going to subject themselves unnecessarily to traffic jams and the like. I am not sure what we can do in that area, but, I am deeply concerned, not only about Lake of the Ozarks, but about other places as well.

I would hope that this whole area of rural tourism could be looked at by your commission because this is really a gold mine sitting out there. The testimony from these other folks, as you understand, if they can get there, and the State of Missouri does its work, it will be more interesting, and you will see Missouri benefiting.

I would hope that the commission for which you work would do a study just on rural tourism and access thereto, and it should be done on a State level, rather than on a Federal level. I would make that as a proposal, a suggestion for you.

We do appreciate your testimony. It has all been excellent and will make an excellent record for us.

Thank you very much.

Our third panel will be addressing where we are today in Independence, Missouri. Mr. David May, the president of the Independence Chamber of Commerce; Patty Nolte, the director of tourism, City of Independence Department of Tourism; and Mr. Gil Langley, Bucher, Willis & Ratliff, consulting engineers, planners, and architects in Kansas City, Missouri.

We welcome you. We appreciate your being with us on a Saturday morning and look forward to your testimony.

David, you are first. As was mentioned before, feel free to offer your entire testimony into the record and summarize if you care to.

TESTIMONY OF DAVID MAY, PRESIDENT, INDEPENDENCE CHAMBER OF COMMERCE, AND MEMBER, CITY OF INDEPENDENCE TOURISM ADVISORY BOARD

Mr. **May**. Congressman Skelton and members of the subcommittee, my name is David May, and I am president of the Independence Chamber of Commerce. I also serve on the City of Independence Tourism Advisory Board. Our chairman, Dr. Roger Yankton, is also with us today in the audience.

Chairman **Skelton**. We welcome him. Thanks for being with us.

Mr. **May**. It is good to have you home, Mr. Chairman, and it is good to have the subcommittee here with us to talk on the topic of tourism, which is a vital topic to us in Missouri and to this community, and to many of the small businesses that we have here in this State and in this city.

I am kind of the setup guy for my two colleagues here. I am going to restrict my comments to the economics of tourism, some of which other panelists have discussed a little bit earlier.

Then, my colleague, Patty Nolte, our community tourism director, will highlight the noneconomic impact of tourism, discuss Independence's marketing program a little more specifically, and then, comment on the relationship with the Federal Government with regard to tourism.

Tourism consultant Gil Langley will then speak more directly to international tourism and the Tourism Policy and Export Promotion Act.

Restating the obvious first, travel is a big, big industry. According to the U.S. Travel Data Center, nearly 6 million Americans owe their livelihoods to travel, collecting an annual payroll of about $74 billion. Obviously, those of us who either work for Government or are involved in Government realize that has a pretty significant impact at all levels. According to the numbers that they put together, about $43 billion in revenues are generated from the travel industry.

The total economic impact of travel in America is an amazing $350 billion. As Mr. Kappler pointed out earlier, the State of Missouri, with the natural scenic beauty that we have and the rich history, benefits greatly from travel. With an annual payroll of $1 billion, 80,000 Missourians are employed in travel-related jobs. Travel is our second largest industry in this State and has an economic impact of $5.8 billion.

An interesting number that the Travel Data Center put out, apparently some time ago, about a year ago, is that if we stopped tourism in this State right now, just wiped it off the face of the earth and did not do tourism or travel in general, that the average Missouri family's tax bill would jump up by $100 right away.

Bringing all of this closer to home in this metropolitan area that we are in right now, there are 15,000 people who depend on travel for their jobs, and with our interesting and diverse history here in Independence, travel has become a very important segment of this local economy. Conservatively, in a study that was done a number of years ago in Independence, travel has a $60-million impact on Independence annually. Over 1,350 people in Independence work in travel-related jobs and earn nearly $14 million in pay.

Summing all of this up in this first point about travel being a large industry, tourism is an investment that does pay dividends, economic dividends for the country, the State, and for our local city in personal income, employment, diversification of the economic base for our community, and in tax revenues.

So much for the big picture and so much for the obvious. Now, let me tell you what travel means to my friends and neighbors who own and/or operate small businesses in our community. What applies, I think, to Independence, I think also holds true for many towns and cities in this country, particularly those in rural areas. Stereotypically, the word, "tourism" brings to mind airlines, travel agents, and hotels. Well, truly, that is only part of the story. We have no airlines in Independence; we are not a resort town. Yet, as I indicated to you before, travel is a very important segment of this local economy. A few blocks from where we are seated at this point, there are many family-owned businesses, small businesses, that are making a part of their living serving the traveling public. Around Independence Square, where Harry Truman spent much of his life—he was a Democrat—I want to point that out to you——

[Laughter.]

Chairman **Skelton**. My two friends here did not hear that.

Mr. **Machtley**. But he thought like a Republican.

Mr. **Hancock**. He sure talked like one.

Mr. **May**. I have quickly gotten into deeper water than I foresaw. I am sorry that I brought the whole thing up.

[Laughter.]

Around Independence Square, where Harry Truman spent much of his life, local enterprises realize most of their cash register receipts by serving local patrons, but at least a part of their income comes from out-of-town visitors. Every dollar that a visitor brings in town—and, hopefully, you will share with us today as well—every dollar that they bring into town with them, 25 cents they leave in restaurants and grocery stores, another 17 or 18 cents will make its way into the automotive sector of the economy in terms of service, and the retailers will realize 7 or 8 cents in sales.

My point is that businesses in Independence that benefit from travel are just those that we readily think about when we think about travel. They are businesses that are owned and operated by local people—my friends and my neighbors—and, unlike the major entertainment and travel corporations that we think of, these small businesses lack the marketing expertise and the resources to reach the travel market effectively—the State market, the national market, much less the international market.

I will leave it to the two others to address the potential of attracting the international visitor to America, except to say that I think that potential is enormous; it very much is there. With the open vistas that we enjoy in rural America and in America in general, really, I think at this point, and the vibrant economic and cultural aura that our country has, we are a magnet for that international guest.

Because President Truman's home town is of interest to persons in other countries, our efforts to encourage tourists from abroad to come here are important to us. But our community marketing programs, outside those of the largest cities, cannot reach that global market. We need to look to the State of Missouri and the Federal Government for initiatives to help us in that regard. We are encouraged that your subcommittee is pursuing this topic.

Again, welcome to the greater Independence area. We are glad that you are here. We appreciate your interest in tourism and the small business sector of the economy, and we thank you for the work that you do on our behalf.

[Mr. May's statement may be found in the appendix.]

Chairman **Skelton**. David, thank you.

Patty Nolte.

TESTIMONY OF PATTY NOLTE, TOURISM DIRECTOR, CITY OF INDEPENDENCE

Ms. **Nolte**. Good morning. Welcome to Independence. I am Patty Nolte, as stated, the director of tourism for the city of Independence, and I appreciate the opportunity to address you this morning regarding the Tourism Policy and Exportation Act.

As Mr. May just talked about, tourism has a tremendous economic impact on American communities. As he stated, in this community of 115,000, over $60 million is generated each year, which helps support small businesses, and allows this city to provide basic services.

However, beyond the economic impact of tourism, as important, is the positive role that it plays in helping smaller and rural communities maintain a sense of identity and civic pride.

In this age, when cities, both large and small, look pretty much alike with McDonalds, Quick Trips, and Conocos lining major arteries, the dollars spent by tourists have allowed communities to maintain a separate sense of identity through historic preservation.

Independence is an excellent example of this. We have been able to preserve many of our historic sites because we have opened them to tourists. This preservation and promotion has allowed for us to maintain our unique identity which sets us apart from other communities. Without tourists, the city of Independence would not be able to offer two restored Victorian homes, an 1859 jail, the restored courtroom where Harry S. Truman presided as county judge, or the other 12 historic sites located within blocks of this facility.

It has been the recognition of the potential for attracting tourists that has led to unique and cooperative relationships between the city of Independence, the National Park Service, the National Archives and Records Administration, the State of Missouri, and local historic groups, who have preserved, for tourists, a sense of who we were, but have also created, for residents, a reaffirmation of who we are today.

In March of this year, the State of Missouri completed construction of the National Frontier Trail Center. The city of Independence currently operates that facility. This unique collaboration between the State and the city presents a physical presentation of the important role Independence and Missouri played in the western emigration of America. This facility was funded with the intention that it would attract tourists to this area and, at the same time, it has preserved for the local residents a very important part of our own history.

The recognition of our tourism market is evidenced by the many joint programs that we participate in currently with Federal agencies—the National Park Service and the Truman Library. The city, the Park Service, and the Library work closely together to promote not only those facilities run by those entities, but also all of the attractions in Independence.

Additionally, Independence has also worked with rural communities, such as Weston, Kearney, Richmond, and Lexington, to form the Missouri Valley Marketing Association. This group has self-funded production of this brochure which, by utilizing the theme of Jesse James, helps promote——

Chairman SKELTON. Who held up a bank in Lexington.

[Laughter.]

Ms. NOLTE. That is right. Any community in this area can find some Jesse James story.

We all joined together to produce this brochure, which helps to bring visitors to communities in this area. Without these types of strong intergovernmental relationships and without tourism, the history of many communities, including Independence, might have just become local folklore, and not a dynamic element of our current economy.

As tourism director, I support the Tourism Policy and Exportation Act.

Recently, an Italian tour operator came to Independence for a familiarization tour, and I want to comment that that is very rare, for us to host a foreign tour operator. I asked him, when he came, which of our 12 historic sights would be of most interest to him. I thought that either he would be interested in Western history, with the trails, or Truman, and he said, "Everything." There is a tremendous fascination in America, both past and present, by foreign visitors.

However, we had neither the resources here nor the expertise to directly tell our story, the Independence story, to the foreign market. We need a strong commitment from our Government to capitalize on this fascination by foreign visitors on all of America, and not just the major metropolitan areas. We need a commitment for both increased funding for marketing and, as importantly, providing assistance to communities for international marketing and establishment of receptive services.

As Mr. May pointed out in his testimony, many of the businesses in Independence which directly benefit from tourism are small, individually owned and operated enterprises. These businesses do not have the expertise or resources to compete in the global marketplace. We need USTTA to be our advocate in promoting the wealth of American history found outside the first tier destinations, such as New York, Orlando, and San Francisco, as already has been mentioned.

I ask you to appreciate that not just rural communities, but midsize and smaller communities like Independence need direction, assistance, and promotion if we are to, in any way, realize the potential benefits of foreign visitors to America.

Thank you.

[Ms. Nolte's statement may be found in the appendix.]

Chairman SKELTON. Thank you, Patty, and I appreciate that.

One thing that really concerns me, and I have seen it time and time again, is a foreign visitor will come to America, and he will see New York City. He will see Disney World and San Francisco, and think that he has seen America. He did not see America. He did not see the real America. The real America is right out here. It is Independence, Missouri, Lexington, Missouri, Clinton, Warsaw, and Sedalia —what has made our country what it really is. It happens time and time again.

That is why this bill, which would establish a Rural Tourism Foundation, is so very important, and that is why we appreciate your comments today.

Mr. Langley.

TESTIMONY OF GIL LANGLEY, TOURISM DEVELOPMENT SPECIALIST, BUCHER, WILLIS & RATLIFF

Mr. LANGLEY. Mr. Chairman, members of the committee, good morning.

I would like to thank you for the opportunity to appear before this committee, to share with you our views on tourism in general, and specifically, on H.R. 4369.

My name is Gil Langley, and I am a tourism development specialist associated with Bucher, Willis & Ratliff, a consulting, engineering, planning, and architectural firm with offices in Missouri, Kansas, Iowa, Colorado, Illinois, Texas, and, most recently, Taiwan.

Our firm and its members have extensive experience in all areas of economic development. We have been involved in tourism programs and projects in Alabama, Tennessee, Missouri, Kansas, Arizona, and Washington. The majority of these have been in rural communities, which gives us a special perspective on the needs, problems, and opportunities facing those areas.

Tourism has come of age. Just 15 years ago, the Federal Government declared tourism to be a nonessential industry in this country. Your presence here today indicates that attitude has changed. One cannot turn on the TV——

Chairman SKELTON. Who did that?

Mr. LANGLEY. Sir?

Chairman SKELTON. Which organization did that?

Mr. LANGLEY. In 1974, the Department of Commerce.

One cannot turn on the TV, read a newspaper, or buy a magazine without being aware of tourism's impact on our Nation.

The facts of our industry have been long known to those of us involved in it. Today, however, all of our citizens are beginning to have an appreciation for tourism and the vital role that it plays in our country's economic, social, cultural, and environmental well-being. From highway improvement to oil spills, inner city developments to wilderness areas, ethnic diversity to issues affecting Americans with disabilities, the impacts on tourism are discussed and debated.

The Tourism Policy and Export Promotion Act you are considering is evidence of your commitment to tourism in general, and, specifically, to the businesses and communities throughout America that will benefit by its enactment.

We support this bill and offer this committee any assistance that we can provide to expedite its passage.

We applaud your decision to include language in section 10 of the bill which calls for the coordination and development of the tourism industry in rural communities with the potential necessary to support and sustain an economy based on tourism or that had been severely affected by the decline of other industry, including agriculture, family farming, manufacturing, or by the closing of military bases. From our experience, we can safely say that this includes a vast majority of cities, towns, and counties across the country.

In Missouri, we have worked in Smithville, Warsaw, Branson, Lake of the Ozarks, and here in Independence. All of these communities could benefit from the increased support of efforts to develop our international market.

To realize the benefit of this market, however, these communities, and others like them, must have help in their efforts, and that help must start at the Federal level. That is not because the States are not interested in providing assistance; they are. It is primarily the results of the economics of the marketplace.

As mentioned earlier, the State of Missouri realized $5.8 billion from tourism in 1989. Almost all of that impact was generated domestically. As a result, that is where the industry invests 98 percent of its efforts.

At this point in time, the international market represents such a small portion of the State's tourism industry, that the division of tourism does not compile statistics on visitation or economic impact from foreign visitors. Missouri's promotional efforts to develop this market depend on USTTA and regional organizations, such as America's Heartland. In this, Missouri is no different from the majority of the States in our country. Without a national presence in foreign markets providing image building and channels of communication to the customer, the international tourist would simply be impossible for us to capture.

There is a market for us in the Heartland to capture. According to USTTA, over 40 percent of the overseas visitors have visited the United States more than four times in the past, and that number excludes the frequent visitors from Canada and Mexico, our two largest international markets. Those 6 million tourists have been in New York, Los Angeles, and Orlando, and, as you say, Congressman Skelton, they are ready to turn in their mouse ears for cowboy hats, and pass up the bright lights of the big city for the stars of Ozark mountain country.

Our visitors want to experience rural America. Between 1985 and 1989, the largest increase in foreign visitation was not to California or New York; it was to Utah. As a matter of fact, three of the next four States with the highest increase in international tourists are primarily considered rural America—North Dakota, Alabama, Rhode Island, and Idaho.

The visitation to Missouri, although not a large portion of the market, is nonetheless significant. According to USTTA, over 267,000 foreign tourists crossed our borders in 1989. In neighboring Kansas, the count was almost 74,000.

Chairman SKELTON. Are you considering them foreigners?

[Laughter.]

Mr. LANGLEY. Yes.

That is more than three times the number of people who live here in Independence. These visitors will spend more time on their vacations and up to six times as much money as is spent by the domestic tourist.

Clearly, Mr. Chairman, you and the members of your committee have used foresight in your attempts to bring the international tourism market to Missouri and the rest of rural America as an economic development tool.

H.R. 4369 continues those efforts, and we would like to comment on the bill specifically.

First, we would encourage you and your colleagues to accept the higher levels of funding, as called for in the Senate version of the bill. USTTA has done an outstanding job in the past, despite having to work without proper funding and authorization. Tourism has become our number one export, even though we invest less per capita as a country than Guatemala, Zambia, or Haiti. With global competition for the tourism dollar increasing, we must aggressively support the development of an industry as economically productive as tourism.

We fully support the creation of the Rural Tourism Foundation and would ask that you consider even expanding its scope to all communities who need assistance in developing the international market. The vast majority of businesses in America are uneducated as to the needs and desires of the foreign visitor, and are ill-equipped to service them properly.

For example, a brief poll of hotels in the Kansas City area indicates that only one posts exchange rates at the front desk for international visitors. Only one major downtown bank in Kansas City provides immediate currency exchange. None of our restaurants offer the traditional Japanese breakfast of fish and soup. There is not a youth hostel in the metropolitan Kansas City area, and no promotional materials are available in a language other than English. Help is needed not only in Osage Beach and Branson, but in St. Louis and Kansas City as well.

Additionally, in its efforts to develop rural tourism, the foundation should not forget the much greater domestic market. It is from citizens nearby that most rural communities will realize the greatest visitation and, therefore, the greatest economic impact. The vast majority of money spent in Branson comes from the residents of Kansas City and St. Louis.

To the proprietor of Lambert's Cafe in Sikeson, Missouri, Basil Cobb's Farmer's Exchange in Arab, Alabama, and of Tucker Winery in Yakima, Washington, the visitor from New York is just as much a foreigner as the tourist from Tokyo.

Mr. Chairman, members of the committee, thank you for the opportunity to testify this morning.

[Mr. Langley's statement may be found in the appendix.]

Chairman SKELTON. Thank you, Mr. Langley, for your excellent testimony.

We will ask each of the gentlemen if they have closing questions or comments. There is an airplane that will be leaving not too long from now, and if Mr. Machtley is not on it, I will be in his wife's doghouse——

[Laughter.]

Chairman SKELTON [continuing]. So, we will wrap up very shortly and quickly.

Mr. MACHTLEY. I thank this panel, as I thanked the others. I certainly think that this has been very, very important for us, to come to rural America, central America, to hear what is going on.

Sometimes, I talk about Washington as Disney World East because it is not a real world out there. We don't deal with real people and real problems.

I commend our chairman for holding this hearing. He is really a leader in this area. He is working hard to make sure that rural America is represented, not only in tourism, but that Missouri is represented in Congress, and he has done a great job.

Chairman SKELTON. Thank you, Ron. Mr. Hancock.

Mr. HANCOCK. Let me just comment on what David first addressed. He mentioned the fact that Harry Truman was a Democrat. I do not know whether he knew it or not, but I ran for Congress on the slogan, "Give 'em Mel."

[Laughter.]

I do not really have any comments for the panel. I would like to say, though, that since we are here today promoting tourism, and we have a tourist here today, in the form of another Congressman, Congressman Machtley, a freshman Congressmen, a classmate of mine, so to speak, I would like to present him with a Kodel pin, which is the flag of the State of Missouri, and to welcome him to the State of Missouri. So, there you are, Ron.

[Applause.]

Chairman **Skelton**. You will also note that Mr. Hancock pronounces the name of our State correctly; it is Mis-sur-AH.

Mr. **Hancock**. You have been doing pretty well on that.

Mr. **Machtley**. I am one of those foreigners they were talking about.

Chairman **Skelton**. Ms. Nolte, and gentlemen of the panel, we thank you for your excellent testimony, and especially for your thoughts on the bill that we have. It is moving, and we hope that it has not reached a snag on the House side.

Tourism is a literal gold mine, and you will realize that as soon as we cause people in rural America and the suburbs to realize what some of the large cities already know. Tourism brings economic benefits, but the sharing of our cultural heritage with other Americans and with foreigners is equally, if not more, important than the economic benefits that we get.

Thank you for your excellent testimony. If there is nothing further, we are adjourned.

[Whereupon, at 12:07 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

APPENDIX

OPENING STATEMENT
CONGRESSMAN IKE SKELTON

FIELD HEARING ON RURAL TOURISM
INDEPENDENCE, MISSOURI
JUNE 30, 1990

This meeting of the U.S. House of Representatives Small Business Subcommittee on Procurement, Tourism, and Rural Development will now come to order. I welcome everyone here today. It is a pleasure to be at the Truman Library in Independence with my colleagues Congressman Mel Hancock of Missouri's Seventh District and Congressman Ron Machtley of Rhode Island's First District.

Today's field hearing will examine rural tourism, an issue within the jurisdiction of this subcommittee and one which has been of interest to me for many years. We have an excellent gathering of witnesses before us today, and we are here to learn what each of them (or the regions or agencies they represent) are doing in the field of tourism, how they are using this industry to promote their local economic (and often local cultural) development and revitalization. We also want to learn about their relationship with federal and state governments and agencies. If problems do exist, a lack of communication is sometimes the culprit, and fact finding such as this hearing can provide can often alleviate such tensions.

We are also here to investigate and get your comments on the state of international tourism. As Commerce Department figures showed last year, international tourism brought $43 billion to the U.S., and in dollar figures international tourism is our biggest export. This is good news -- there is no denying that. However, most of these dollars currently flow mainly to American gateway cities -- New York, Los Angeles, Miami, Honolulu, and the like. Rural areas in many places are only beginning to think in terms of attracting foreign tourists to their sites and attractions. We need to learn how to get these visitors to secondary destinations.

Additionally, we want to discuss certain highway transportation questions today. According to the Travel Industry Association, 80 percent of all vacation travel is conducted by highway and nearly 80 percent of international visitors use a car for at least part of their stay. Without a modern and up-to-date travel infrastructure, domestic travel growth will never reach its full potential.

Finally, we have solicited comments on a bill that is now moving through the Congress, the Tourism Policy and Export Promotion Act. This bill has passed the Senate and is currently being considered in the House of Representatives. The focus of the bill is to increase foreign visitor arrivals to the U.S., but of particular interest to us today is a provision in the bill which would establish a Rural Tourism Foundation. The Rural Tourism Foundation would promote rural tourism and encourage the development of public/private partnerships to promote tourism development in rural areas. This act, if approved by the Congress, will be a serious contribution to the promotion of tourism and rural tourism development in the United States.

In years past the travel and tourism industry in the United States has been perceived as a frivolous field, and the true impact of the industry has not been fully understood, by the general public and by policy makers alike. But today ther is a growing awareness and recognition around the country of the economic contribution of the tourism industry, including its potential contribution to rural areas. And no wonder -- we are talking about an industry with annual expenditures totaling over $300 billion dollars. We are talking about an industry that is the third largest in the nation, ranked after automobile dealerships and food stores.

We are also talking about an industry that is predominantly made up of small businesses, with approximately 98 percent of tourism enterprises classified as small businesses by the Small Business Administration.

As an international tourist destination, the United States has often been seen as two coasts with nothing much in between. Fortunately, that view is now changing as more and more travelers want to get to know the "real America". Many tourists, both foreign and American visitors, are beginning to explore mid-America and other sites that are off-the-beaten-path.

In recent years many of my colleagues in the Congress and I have been very concerned about the conditions in rural America. Hard times have caused the quality of life in many of our rural communities to decline -- many of our small towns are literally disappearing. Yet, there are shining examples of rural communities that have been revitalized. In some regions, including many towns in Missouri, innovative leaders have linked their fortunes and their futures to tourism development and have embarked upon an authentic rural renaissance.

As a means of rural economic development, tourism has often been ignored. This is unfortunate, because in many ways travel and tourism -- and the predominant nature of small business in this industry -- seems particularly well-suited to help diversify and strengthen economies in small towns and rural communities.

For the visitor, rural tourism is a chance not only to see what America is all about -- our history, culture, and heritage -- it is also a chance to escape and take pleasure in the past. In many cases, things local residents see and experience every day are just that . . . every day things to them. But to the potential traveler they are a vacation experience.

As an international tourist destination, the United States has often been seen as two coasts with nothing much in between. Fortunately, that view is now changing as more and more travelers want to get to know the "real America". Many tourists, both foreign and American visitors, are beginning to explore mid-America and other sites that are off-the-beaten-path.

Recently I had the opportunity to meet with a group of international tour operators visiting Washington. Their number one concern was the U.S. Travel and Tourism Administration, better known as USTTA. The support of these international tour operators for American tourism was evident, but without the promotional and technical support of USTTA they face serious obstacles when trying to convince their clients to visit the United States. They let us know in no uncertain terms that we must be prepared to match the promotional efforts of our international competitors or continue to lose market share.

Before we begin, I would like to show a short video prepared by the Travel and Tourism Government Affairs Council which effectively illustrates how serious our competitors are and how they assess current U.S. efforts to promote tourism.

Do my colleagues have any statements to make before we begin with panel one?

Statement of
Cindy Dickmeyer, Mayor
City of Lexington
P.O. Box 206
Lexington, Missouri 64067

Before the
Subcommittee on Procurement, Tourism, & Rural Development
Committee on Small Business
United States House of Representatives

Concerning Tourism in Rural Communities
June 30, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE;

On behalf of the citizens of the Lexington community, we are very grateful for the opportunity to present our testimony today concerning tourism and its relationship with the rural communities of America.

Tourism in rural America is unique. Just as Lexington, Missouri, is unique. The history of Lexington spans 168 eventful years from the western frontier to our present day. Few Midwestern towns can boast of the rich tradition and exciting heritage that belongs to Lexington - beginning as far back as 1804 when Lewis & Clark passed the site of Lexington en route to explore the Northwest via the Missouri River. Settled during the 1820's, Lexington soon became a booming farm community and river town. Traders, fur trappers, and suppliers brought a brisk business to the community, which for a few years was the most western settlement from which outfitters sent caravans west on the Santa Fe Trail. Lexington became the seat of Lafayette County in 1823. In the 1850's, the offices of the great freighting firm, Russell, Majors, & Waddell was established. In 1859, this very firm inaugurated the famed PONY EXPRESS. The proud roll of early schools lists the very first college in the world to be founded by the Masons was opened in Lexington in 1848. Today's noted Wentworth Military Academy was founded in 1880 and is still in operation today.

Many large, beautiful houses and public buildings were built during the 1840's and 1850's. The present Lafayette County Courthouse was built in 1847 and has been occupied continuously, making it the oldest Courthouse in the State of Missouri still in use. There are over 110 antebellum homes still standing in our community today.

In September 1861, the prosperity of Lexington was temporarily disrupted by the invasion of the pro-South forces during the Battle of Lexington. The Anderson House, built in 1853, was used as a hospital during the battle. The battlefield is one of the few Civil War battlefields that has never been cultivated. This entire are is now a state historic site. After the Civil War, Lexington once again emerged as a prosperous community due to the coal mining industry becoming the economic mainstay of the area. And finally, in the center of our history, we have the dedication of the "Madonna of the Trail" monument. She was dedicated on September 17, 1928, by a Jackson County Judge - the Honorable Harry S. Truman of Independence. This monument is one of twelve that is located in the states through which the National Old Trails Roads ran. Lexington also has four historic districts listed in the National Register of Historic Places.

There are many other areas of historical significance and interest in this small, rural community. I have only tried to highlight a few of them to give you an idea just how important Lexington's past has been in helping to develop this great country of ours. Lexington is situated in the very heartland of the United States. We, as our forefathers, are the very backbone of this country. We are the laborers, blue collar workers, and farmers. We are proud of our past and work hard to protect and save what we have. We realize that Lexington has not made history - but that history is what has made Lexington. The preservation of history is a vital part of our American heritage.

In recent years, rural areas have been plagued by a sharp decline in the agricultural industry, as well as the closings of many manufacturing industries. Some rural communities, however, like Lexington, have the potential to support and sustain an economy based on tourism. Tourism can be an especially beneficial activity to incorporate within the economic structure of smaller communities and rural areas, due to the fact that tourism is an industry that requires a limited financial investment. Because the major capital asset of this industry is, in fact, the natural or cultural resource itself, it therefore becomes an ideal vehicle for many rural areas to develop. When most people think of tourism, they think of recreation. However, attractions are what draw tourists to a specific area. Tourism, therefore, can't be considered a viable option for a community, if there is not a marketable attraction to present. Once your attractions have been acknowledged and established, there is an important need to be able to inform people about the attractions and services you have available. Tourism can't support any rural community through any significant economic importance if it is not first perceived as an important industry to that community and is developed in that manner. Even though a community's stability should not be built on a single industry, sometimes you have no alternatives. Tourism may be your only means of economic stability.

In Lexington, we have acknowledged tourism as being a very important industry to our community's economic structure. However, it is not our only means of economic survival. We have several other industries and businesses that give us a small, but diverse economy. However, developing tourism as an industry in Lexington seems only natural. Tourism helps to expand our economical growth by stimulating future businesses - such as restaurants, motels, hotels, stores, and shops. This, in turn, helps generate needed additional revenue which can then be used to help make improvements to our city. There is really no limit to the amount in which our community could benefit from a prosperous tourism industry.

To help develop the tourism trade in Lexington, we have had two video tapes made. One is for tourism information; the other gives necessary information to an individual or company who might be considering locating in Lexington. We also send brochures and printed materials to the seven Tourist Centers throughout the State, as well as, Auto Club offices, motels and tourist agencies around the country. For four years, we have had a Uni-sign located on Interstate 70 to advertise our community to motorists traveling through the area. We also advertise, from time to time, in outside publications on our community's activities. We arrange tours through the Chamber of Commerce office and we are currently working with the Department of Economic Development to hold a regional meeting in Lexington this September. There are many programs and activities in our community that are co-operative efforts. Every two years, Lexington offers a two-day historic Old Homes Tour, which brings approximately 10,000 visitors to our community. Also, the Battle of Lexington State Park sponsors a Civil War battle re-enactment every three years. The next re-enactment is scheduled for September 19, 1991. This is a three-day event which brings in over 5,000 visitors from all across the country. This doesn't include the large number of re-enactors that also travel here to participate in the battle. Every fall, there is a three-day River Festival, which also draws many people to our community. Lexington, as I mentioned earlier, is also the home of Wentworth Military Academy. This military school, dating back to 1880, has students attending from all over the world.

Lexington is an All-Missouri Certified City, achieving a "Five-Star" status through the Missouri Community Betterment Program. We are members of the Missouri Travel Council, the Missouri Chamber of Commerce, and the Lafayette County Economical Development Authority. This committee tries to promote all of Lafayette County. Our Lexington Industrial Development Corporation is very active in promoting economical development in Lexington. We all realize it takes a united effort, if we are to succeed. We have a very active Historical Society, which recently raised over $90,000.00 to restore an 1830's log house, the only known wooden structure still standing from Lexington's founding days, with the Santa Fe Trail passing both it's original location and its present site.

We are very pleased that the State of Missouri has decided to put additional funds in the Battle of Lexington State Park, to construct a new visitors tourism center and a summer kitchen at the Anderson House.

We also have five licensed antique shops which are frequent stops by tourists and a historical museum in Lexington. We are located in the heart of Missouri's apple orchard country within an hour's drive of Kansas City and not far from the recreational area of the Ozarks. Approximately 60% of all Missouri tourists come from the metropolitan areas. As I stated at the beginning of my testimony, there is something very unique about tourism in rural America.

One of the main problems that small, rural communities face today is the competition of the nearby metropolitan areas. We do not have the manpower or the resources to call upon as metropolitan areas do. There must be a more focused attention given to the small, rural communities. Simply put, we need to be put on an equal basis as our larger counterparts. Our wagon wheels are just as rusty, and squeak just as much as theirs - however, they apparently don't squeak as loud!!

In closing, I have just one final thought to present. Lexington, as well as many other rural communities, is well worth a few days of anyone's time. Visitors can wander through museums, tour the old homes, dine and shop, or just walk around and enjoy the beautiful scenery and relaxed atmosphere. It is our sincerest hope and desire that our testimonies to you today will not go unheard and that many future generations will also be able to enjoy what the rural communities have to offer. Through your dedicated commitments to develop and increase the tourism trade in rural America, this will become a reality.

PREPARED STATEMENT OF ROBERT EDMONDS, PRESIDENT,

THE SCOTT JOPLIN FOUNDATION OF SEDALIA, INC.
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Testimony for the Subcommittee on
Procurement, Tourism and Rural Development
June 30, 1990

Background

As the home to classic Ragtime composer, Scott Joplin, now regarded as the "King of Ragtime," as well as many other Ragtime composers of the era, Sedalia is recognized throughout the world as "the cradle of Ragtime." As a celebration of this heritage, The Scott Joplin Foundation of Sedalia, Inc., produces an annual Scott Joplin Ragtime Festival in historic downtown Sedalia. This event is the only Festival in the United States devoted solely to classical Ragtime and features many of the world's finest ragtime composers, performers and historians.

In producing this festival, the Foundation faces many obstacles due to the geographic location of Sedalia. Located 90 miles east of the nearest large city, (Kansas City) and with a population of 22,000, Sedalia serves as a hub for many small farm communities. Sedalia has many opportunities for tourism as the gateway to the Ozark Lakes for travelers coming from the north and west. While Sedalia has been successful at attracting industry to Sedalia, the total number of potential corporate sponsors and their available monies is relatively small compared to the funding demands placed upon them by the Sedalia community.

Funding Limitations

Rural communities like Sedalia, place the same demands on local organizations, to provide the quality of life that metropolitan communities place on their cities. While the number of potential donors in relation to donees may be relative to rural communities, the hardships of fundraising are indeed much greater in a rural community.

Specifically, in Sedalia, the potential corporate sponsors are less than ten businesses with the giving ceiling typically around five hundred dollars. This low giving ceiling is due to the high number of ask's received by the corporation and their efforts to spread their budgets as far as they can go. And generally speaking, their giving budgets in rural communities are less than their subsidiaries in metropolitan communities. While this is a perfectly good policy, it shows immediately the limitations of the largest financial resources available to rural organization.

After the large corporations, support is available from local businesses. Again, this pie is severely sliced-up by the large number of ask's placing an individual funding limit in the neighborhood of $100-$250. More realistically for the mom and pop businesses in a rural community is a giving level of twenty-five dollars or less.

Another funding resource is contributions from individual's in the community. Immediately, the small population limits the potential of possible donors with concern for a particular cause. While this group is the best market for long-term support, the overall potential income is limited by the population.

Fundraising outside the community is another available resource that is seldom tapped successfully. When an organization approaches a major foundation or corporation in another city, the organization has to compete against the local charities who have spent years getting their foot in the door. Fundraising is more than having a quality project that will provide many benefits to a community. Fundraising is a coming together of allies through many associations and commonalities. Giving is generally related to a decision based upon reciprocal actions: "what will our dollars donated equal in terms of community and corporate payback?" To provide an affirmative in a foreign community is very difficult for a rural organization especially with the limited dollars available to focus on fundraising.

The Scott Joplin Festival

The Scott Joplin Ragtime Festival is being produced on a very small budget ($60,000) compared to most Festival's its size. This is possible because it is produced by a volunteer board and committees and there is little administrative overhead. Dollars earned go directly to the product produced. While this causes many organizational problems, it is the only way the organization can operate with current budget restraints.

The Festival income breaks down as follows: ticket sales, 47 percent; donations from individuals, 14 percent (note: the Foundation has a membership of ragtime fans around the world, 61 percent of these donations are from outside of Sedalia); sales of Festival merchandise, other earned income, 10 percent; city funding, 8 percent; government funding through state and federal grants, 7 percent; private Foundation support, 5 percent; corporate sponsorships, 4 percent; advertising sales, 3 percent; corporate donations, 2 percent.

Overall, the Festival is supported 60 percent by earned income, which is a higher than average figure for most nonprofit organizations. In long-term planning sessions, the income for the Festival is only marginally greater for future Festivals for several reasons: corporate and individual support is near or already at maximum levels for the community; state and federal dollars are likely to decrease rather than increase; ticket sales are already at 85 percent capacity of available tickets and the only potential increase for dollars earned is higher ticket prices.

Impact of Festival on the Community

The annual Scott Joplin Ragtime Festival provides many benefits to the community. By promoting Sedalia as the "Cradle of Ragtime" throughout the world, the Sedalia community is assured a special place in the American musical heritage. This brings pride to the community and a sense of international importance.

Economically, the Festival provides local businesses with four days of tourists from many parts of the world. For the 1990 Festival, 225 people came to Sedalia and spent a minimum of five days and four nights. Throughout the festival, 2800 tickets were used. While these numbers may not compare with large festivals, using the economic multiplier of $75.00 per person per day as developed by the local Chamber of Commerce, the out-of-town visitor impact is $85,000 for the four day ticket buyer and $75,000 for the weekend visitor for a total of $160,000 over four days. As an annual event, the impact becomes even greater.

Future Growth of Festival

As mentioned previously, with the limited income potential facing the Festival at this time, needed growth will be a false reality unless new funding resources are developed. While the majority of the Festival budget is spent directly on the final product, there are many areas the Foundation needs to improve in order to insure the future of these activities.

The priority for the Foundation is to develop the funding necessary to hire a full-time administrator. This type of funding is a long-term commitment and would become approximately one-third the budget (which is still less than administrative costs of most nonprofit organizations). A full-time administrator would be able to provide day to day hands on direction for the organization and would help to further promote and develop relationships to open up new funding resources.

Trying to be a "big time" organization in a rural community is an uphill battle. The lack of funding resources, volunteers and professional direction places the nonprofit organization in a difficult position. Compared to what an organization like The Scott Joplin Foundation can offer a community the size of Sedalia, the struggle is a valid and worthwhile effort. Our perseverance and small-scale success is a victory for other organizations in the community and the smaller communities around us. We offer to the world the opportunity to "step-back" and enjoy life at a slower and more relaxed pace. The simple pleasures, sincere enjoyment, and a chance to just be yourself in a part of the world where nature and people are our greatest resources.

Comments on Rural Tourism

The economic impact of Tourism in Missouri is widely documented and state figures show that tourism is one of the most important industries for our area. Since the majority of businesses in rural Missouri are small or family run, the impact of tourism is very important. Tourists from other parts of the state as well as national and international visitors play an important part in the potential tourist pool. Marketing by organizations such as The Scott Joplin Foundation, Chamber of Commerce, Convention and Visitors Bureau, and State Tourist Agencies is necessary to attract tourists and make the "sell" to bring them to a particular area.

Like any business, advertising dollars always seem inadequate compared to those with larger budgets. Since rural states have smaller populations, less dollars are available to promote tourism than in more populated states. Therefore, fewer promotions are made with limited distribution and frequency. While larger budgets aren't necessarily the answer to all problems, a concentrated effort on a national level to focus attention on tourism potential in rural areas, would alleviate many of the problems associated with these limited resources.

The Tourism Policy and Export Promotion Act

We support the effort to target and analyze the U.S. international trade position with regards to tourism as these findings are important to understanding our position with others providing similar services in other parts of the world. Tourism is an important trade to Missouri and should be regarded as such with the international market.

Most important for the Scott Joplin Foundation and the work it does to promote Sedalia and its rural community, is the development of the Rural Tourism Foundation. The Scott Joplin Foundation already draws tourists from Australia, Germany, England, Sweden, Canada and Japan with its Ragtime Festival. To be able to work with a national organization with an international focus would provide the Festival with greater channels of distribution for promotion and marketing and at the same time, provide the Rural Tourism Foundation with an event that has international importance in a rural area.

As outlined previously, rural organizations are at a disadvantage when it comes to financial and administrative resources necessary for promoting tourism in their areas. An organized effort at the national level is an important step to provide rural organizations with the assistance necessary to better compete with other tourist areas.

The Scott Joplin Foundation of Sedalia, Inc., publicly supports H.R. 4369 and is available for further information concerning the importance of this bill.

June 29, 1990

TO: United States House of Representatives
Committee on Small Business
Subcommittee on Procurement, Tourism, and Rural Development

Gentlemen:

My name is Dick Fleming, and I am a resident of Henry County, Missouri active in the Henry County Chamber of Commerce and the Henry County Economic Development, Inc. I appreciate very much your willingness to allow me to testify in writing before this committee.

For almost twenty years, many of us from the Truman Lake area have visited Washington regularly asking for budget considerations for the Harry S. Truman Dam and Reservoir. This project is now in place and functioning, providing both flood control, and electrical power, as well as recreational and tourist opportunities. This project has faced many obstacles over the years, not the least of which is the unavailability of shoreline for entrepreneural development and very modest roads.

The electrical power is now a fact of life and producing, and the flood control was seriously needed as late as this spring. The tourism and recreational aspects of this project have been a very important impact to the area and have clearly produced a very favorable cost benefit ratio.

With industrial development on hold in many rural areas and land production taken by the lake itself, the tourism aspect of the available lake and lake shore becomes an important feature to economic development.

The traffic from tourism has had an impact on businesses in place and created some new businesses; and interestingly enough, the single largest manufacturer to come into our area in the last fifteen years is "Tracker Marine", a boat manufacturer.

The opportunities to see major tourist growth in the area abound. The location is ideally suited for both Kansas City and St. Louis, and it is a perfect recreational opportunity to companion growth and development of the Whiteman Air Force Base. The need for more available tourist opportunities is evident. Currently tourist and recreational activities are somewhat limited to boating and fishing. An ability to expand and provide a much more well rounded tourist opportunity would allow the local area to better capitalize on the tourist trade.

The various communities have special weeks and special interest days, but these have not necessarily been orchestrated. Although they accomplish much good, there is not one single facility that could attract nor hold someone who was not interested either in fishing or boating for any great length of time.

TO: United States House of Representatives
Committee on Small Business
Subcommittee on Procurement, Tourism, and Rural Development

Page Two

For some communities, tourism could become the only industrial opportunity available to them in the next few years. Any assistance to the exploration of this by the Small Business Committee on Tourism and Rural Development would be of serious benefit, bringing much needed jobs and revenue into communities that have laid industrially dormant for many years. These communities have little or no chance of attracting any major industry or opportunities to develop jobs. Any reasonable activity by the government or loosening of the Corps of Engineers regulations with regard to shoreline would assist in the overall development and would be welcomed. Any encouragement or participation by the government to assist and promote the tourism industry through the Committee on Small Business would be welcomed.

Respectfully,

Dick Fleming

DF:lmf

PREPARED STATEMENT OF BONITA TOWNSEND, SECRETARY, CLINTON TOURISM ASSOCIATION

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United States House of Representatives
Subcommittee on Procurement, Tourism, Rural Development
B-363 Rayburn House Office Building
Washington D.C. 20515
Representative Skelton, Chairman

Dear Sirs:

It is indeed an honor and priviledge to testify before this Subcommittee.

I am the Secretary of our Clinton Tourism Association, a Past President of that Association, Past President of the Clinton Chamber of Commerce, have served in many capacities in the Chamber Tourism Committee and on the Truman Lakes Area Association; as you can see, I am very "Tourism" minded. I am also a Real Estate Broker having owned my own business for 12 years.

Tourism became a very important word in our vocabulary when Truman Lake became a reality in 1980. At that time the Clinton Area Chamber of Commerce began to search for ways to promote Clinton, Missouri and Truman Lake.

We were changing our Henry County Economy from mainly Agribased business to Tourism related businesses.

We have had a long struggle filled with many peaks and valleys. In the beginning, we were a group of people know as the "Tourism Committee," that had absolutely no idea what we were about.

We developed post cards, signage, brochures; began to attend Boat and Travel shows with our information and established our Tourist Information Center. No one told us that we were poor so we worked on "Zero based" budgets - willing to beg, borrow and "coerce" within all legal limits to gain our objective - to promote our area.

We developed Media Week-ends; entertaining outdoor writers and media people to acquaint them with our area. The City hired an economic development person in 1984. He came to work with us and also came with funding from the City of Clinton. Later, the County Commissioners joined in with their support and funds.

(2)

We have worked with funding be it "matching funds", donations, like kind contributions, and everything in between. We are attempting to create more funding through encouragement of a "Voluntary Surcharge" program expected to raise 20-50 thousand dollars, annually within 5 years.

We have attended events put on by the Missouri Department of Tourism, participated in their compaigns. I.E. "Wake up to Missouri Parks", "Wake up to Missouri", the Legislative event ehld in Jefferson City Airport "Savor the Flavor" and the Tourism 'Road Shows"

We have hosted the Association of Great Lakes Outdoor Writers (AGLOW) and last year the Missouri Tourism Commission. We have hosted Bass Tournaments, Crappie Tournaments of all kinds and sizes and are very very proud of our accomplishments.

We have seen our lake grow to be know as one of the "hottest fishing lakes" in the country and our area to be known as one of the designated "growth areas" of our state.

Our Community has actively sought industry - and has in fact a new boat manufacturer - Tracker Marine, a subsidiary of Pro Bass, Inc. We feel Tourism has successfully been developed in Clinton, Mo. Tourism - Tourists-Tourism related. A whote new educational process for a urual community such as ours.

Now, however, we are seeing many changes taking place.

Those of us who have volunteered for so long are tired - we see no new funds coming our way. No monies in the community to pay for a full time "Director of Tourism"; Merchants, small business people, have given to the limits of their ability freely but are now faced with more expenses - slow retail economy - more taxes - not able to give to us as they once did.

Visitation -(Tourism Dollars) around our lake has been declining the last two years. Some of it due to adverse weather conditions, some of it due to a faltering economy in the cities.

The auto industry has had lay-offs in both Kansas City and St. Louis, this has impacted our lake because these fellows are our bass fishermen. The start-up of new businesses in our area is down - a lot of our established businesses are for sale and can't find buyers - mostly due to lack of investment capital. Our business owners are weary, The Lake is a very Busy place. It takes long hours, hard work and a lot of patience to deal with the public. They want to retire and relax. Some of them were early retirees from other fields, and now want to enjoy those benefits without the hard work,

We became very excited in our area with the announcement of the expansion at Whiteman AFB and the coming of the Stealth Bomber and Support Wing. The Military personnel are an important addition to our communitees and also to the Tourism Industry because they too are fishermen, duck, deer and turkey hunters. Tehy bring theri families to the lake to our attractions, shopping and antique stores; our Fairs and Festivals.

Now, it is rumored that this expansion might not be as great as first announced because of cuts in the defense budget. This is of grave concern to our town, County and State.

Everything seems to come back to budgets; be it City, County, State or Federal.

I have no easy solution; but I see a great need. Could we develope a system of Advisors on the Federal level to meet with Tourism groups and develop programs for their specific areas? Could we develope programs that could be administered by our own folks - not just give money but ideas, support, etc. Let us not be one more group demanding monies from a Government that we all know is operating on a deficit but rather let us have meetings of folks with a "Common Problem" set down with experts to arrive at a common solution that will be helpful to us all.

Discussions in which I have taken part, have had a common theme, we say "We need a leader, a developer, a resource person to call upon."

I am very excited about the development of a Rural Tourism Foundation and will be anxiously watching the Foundation and the Tourism Development Study as they come into being. Hopefully the previously stated idea can be incorporated.

We have worked closely with the Corps of Engineers and the development of the Harry S. Truman Reservoir. We look foreward to this leatest development in our world of "Tourism" and hope that we can work together in the future to make a real economic impact with our tourism dollars.

Thank you,

Bonita J. Townsend

Bonita J. Townsend

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Rural Tourism Field Hearing
June 30, 1990, Indep. Mo.

The future of most rural communities will be impacted greatly by tourism in the future. Due to lack of major transportation, super highways, rail & air links, small rural communities must depend on farming to survive. This is not totaly possible now, and won't be in the future.

Small communities must join together and pool their resources to attrack tourists to their area. Each area has its own uniqueness that would appeal to certain segments of the vacationing public. Your area may not become a destination vacation area but if promoted properly could be a stop off place for vacationers.

Attached are studies that show what impact tourism can have on Rural Communities.

My area of the state is blessed with two of the best known recreation lakes in the midwest, Truman Lake and Lake of the Ozarks. The main focus of the Lake associations promotions are for Truman and upper Lake of the Ozarks. The Truman Lake Association promotes the area by attending 14 sports and vacation shows through out the midwest. We hand out literature about the area and talk to the people about our area. We distribute approx 80,000 of the attached brochures at these shows, then we mail out another 10,000 to people who write to us or the local chambers of commerce or the state tourism Dept.

The Truman Lake Accociation worked with the Pomme de Terre, and the Stockton Lake associations to have our area of the state designated the ninth tourism region of Missouri. The new tourism area will be known as The Osage Lakes Region.

Two of the most exciting things we are doing are; Our voluntary surcharge program for the promotion of tourism in our area and the pursuit of investors to build a Theme park in our area.

The voluntary surcharge program will provide much needed money to promote tourism in our area. State and federal advertising assistance is taylored toward areas that have large amounts of money to participate in co-op ad campaigns. Its hard to raise even half the funds for a well run radio or TV ad campaign like you see for Branson, Kansas City, St Louis, and Lower Lake of the Ozarks. Small businesses in our area have fallen on tough times the last two years due to a decline in visitation to our area because the new has worn off our lake. We're not appearing in all the fishing magazines as the hottest lake in America anymore. We have to do something to change the one dimensional conceptof our lake area. Going to sports shows as we do we are asked what else is there to do in the area besides fishing, and water sports. We tell them of the many antique shops and historic points of interest in the area, but they want more. We are working on giving them more.

September of 89, The Truman Lake Association hired a firm to do a feasibility study on our area to see if it was a suitable place to build a theme park. The results of that study were positive and we are working on finding suitable investors to build a theme park in the Truman Lake area.

You can see by the attached charts what an impact it would have on our area. First years revenues of the park are projected to be 3.5 million dollars. A study conducted in the San Antionio, Texas area on the over all impact of sea world in that city showed that the area would realize an additional increase in new revenue of six to eight times the gross reciepts of sea world. Apply this to our area with just a five fold increase in local revenues and it would amount to approx 20 Million dollars extra in the Truman Lake area per year. This will stop the closing of businesses in the area, and halt the decline in visitors.

We have come this far on our own without outside help,but it is now time for the State and Federal agencies to invest in our area. This is an investment because the sales tax on 20 million at 5% = 1 Million dollars. The increased state and federal taxes would soon pay back any investment. Anything that can be done would be appreciated. There are probably existing programs that can be utilized, we just need pointed in the right direction.

Ray Byrd

Truman Lake Association

WALLACE G. WILKINSON
GOVERNOR

MARY RAY OAKEN
SECRETARY
TOURISM CABINET

MIMI C. LEWIS
COMMISSIONER

COMMONWEALTH OF KENTUCKY
Department of Travel Development
CAPITAL PLAZA OFFICE TOWER
FRANKFORT, KENTUCKY 40601
(502) 564-4930

WHAT 50 NEW TOURISM JOBS MEAN TO A KENTUCKY CITY

Annual Wages

50 New tourism jobs	$582,700
25 Other non-tourism jobs	
7 wholesale trade	172,949
4 finance, insurance, & real estate	86,808
4 manufacturing	95,048
4 transportation	112,924
3 construction	75,852
2 agriculture	15,672
1 mining	35,104
Total 75 new jobs	$1,177,057

Population

99 additional people
37 additional households

Annual Retail Sales by Type of Establishment

Eating & drinking places	$1,139,881
Automotive	133,041
General merchandise	108,404
Food stores	73,911
Apparel stores	26,279
Furniture & home furnishings	16,425
Other	144,539
Total	$1,642,480

Retail Sales

Six (6) new establishments
$1,642,480 in increased sales

Sources: Kentucky Department of Travel Development, United States Tourism and Travel Administration, and Regional Economic Models, Inc.

An Equal Opportunity Employer M/F/H

ANNUAL IMPACT OF 100 ADDITIONAL TOURISTS PER DAY ON THE AVERAGE KENTUCKY COMMUNITY

Direct Impact	Indirect Impact*
$1,111,892 in retail and service industry sales	$1,968,049 in business receipts
$322,811 in wage income	$571,375 in wage income
39 new travel industry jobs	57 new jobs
$78,308 in state and local tax receipts, enough to support 41 school children	$138,605 in state and local tax receipts, enough to support 72 school children
Increase in population of 72	Increase in population of 113
27 new households	42 new households
$92,780 increase in bank deposits	$164,574 increase in bank deposits
Three more retail and service establishments	Six more business establishments

*Includes direct, indirect, and induced impact

Sources: Kentucky Department of Travel Development, United States Tourism and Travel Administration, and Regional Economic Models, Inc.

DEPARTMENT OF THE ARMY
COMPLETE STATEMENT OF

COLONEL JOHN ATKINSON
DISTRICT ENGINEER, KANSAS CITY DISTRICT
U.S. ARMY CORPS OF ENGINEERS

BEFORE THE
SUBCOMMITTEE ON PROCUREMENT, TOURISM, AND
RURAL DEVELOPMENT
THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS

ON
ATTRACTING TOURISTS TO RURAL AREAS

JUNE 30, 1990
AT
INDEPENDENCE, MISSOURI

Mr. Chairman and members of the Subcommittee, I am pleased to be here today in behalf of the Assistant Secretary of the Army for Civil works, Mr. Robert W. Page, to aid the subcommittee in its review on attracting international and domestic tourists to rural areas in the United States.

Your letter of invitation requested that I discuss the recreation programs administered by the Corps of Engineers and to address Corps of Engineers' policy concerning leasing of Corps administered lands. My testimony will focus on the recreation programs administered by the Kansas City District, and will also include a discussion on the leasing of Corps administered Federal lands within the District.

The Kansas City District, Corps of Engineers is responsible for the administration operation, and maintenance of eighteen multipurpose water resources development projects in portions of the States of Iowa, Nebraska, Kansas and Missouri.

These eighteen lake projects encompass 373,381 acres of land and 200,333 acres of water. Our projects received over 6 million visitor days of use last year. About $1.1 million in user fees are collected from these visitors and about $16 million collected nationwide each year for use of camping and specialized recreation facilities. This compares with an annual recreation operating and maintenance cost of about $7.8 million at these lakes, and about $164 million nationwide. To help reduce this gap, the Administration has proposed legislation that would enable the Corps to collect resonable user fees at its developed recreation sites.

The lake projects vary in character from small, urban lakes such as Blue Springs with a water surface of 720 acres to large regionally known lakes such as Harry S. Truman Dam and Reservoir (55,000 acres of water). Some lakes are near metropolitan areas (Blue Springs, Longview, Smithville, Clinton), while others (Kanopolis, Harlan County, Wilson, Pomme de Terre, Pomona and Melvern Lakes) are in very rural settings.

The Corps fulfills its land management and recreation responsibilities at these projects through many State and local recreation agencies. About 159,800 acres are licensed to the States for fish and wildlife purposes, while another 47,100 acres are leased to various entities for public park and recreation development. In addition, project lands are leased to private concessionaires to provide needed recreation facilities such as marinas, campgrounds and other forms of overnight lodging.

The Kansas City District and its cooperating land management agencies have leased 32 sites for such commercial concession use. Some sites are quite extensive and include not only marina facilities but also campgrounds and cabin and motel units with swimming pools and other amenities. Private investment in these concession sites is estimated at $19.5 million across the Kansas City District. Revenues collected from these concessionaires amounted to nearly $141,000 in 1989. (By law, seventy-five percent of this total is returned to state governments).

The Corps is aware of the impacts that its projects have on rural economics. Direct benefits are provided through staff salaries and expenditures for supplies and contracted services. Much project work is done through local purchase orders and contracts with local businesses. Across the Kansas City District's eighteen lakes, more than $2,000,000 of work is done by local contractors each year (see attachment).

Corps land management programs at lake projects are guided by a variety of Corps regulations and by a recreation master plan that is project specific. The Master Plan focuses on meeting authorized project purposes and on meeting public recreation needs while providing for the long-term stewardship of Federal lands.

The potential and need for private recreational development of project lands is also evaluated in the master plan. It is developed in coordination with a variety of Federal, state and local agencies and the public. The master plan evaluates the need for recreation programs and attempts to determine how those needs should be met by private, or governmental agencies without adversely affecting other recreation users or the project environment.

Intensive private developments such as residential development is generally not allowed on Federal lands thus protecting those lands for long term public recreation use. However, from an economic and environmental standpoint, such intensive developments as lodge-resorts or golf courses can be permitted on federal lands where feasible, provided they are open to the general public. Furthermore, as discussed below, the Corps is studying ways to increase private sector participation for enhancing recreation at Corps projects.

Corps recreation programs are not planned to generate specific economic benefits for any one segment of the public although it is obvious in rural areas that Corps administered lakes are often the single-most important attraction for tourists. The Corps knows that many local businesses near lakes are dependent on continued operation of Corps recreation areas and facilities for their customer flow and we accordingly try not to institute changes in recreation programs that drastically affect the local economy unless there are overriding social or environmental concerns.

Some Corps projects do have the potential to support a variety of additional recreation facilities, some of which could be best provided by private development. It should be emphasized, however, that the recreation market for some facilities (marinas, campgrounds) is often saturated at particular lakes and that additional facilities would be economically infeasible. Some Kansas City District private concession sites are now only marginally profitable because of the short recreation season and low population base that we have as compared to more populous areas in the east and south.

The Department of the Army, however, does recognize the potential that private entrepreneurs might have for providing additional public recreation services at Corps projects and is now studying ways to more readily allow those developments. The Office of the Chief of Engineers is conducting a special study of the Corps of Engineers recreation program during Fiscal Year 1990. The study is focusing on ways for maintaining or enhancing recreation opportunities at Corps projects while reducing federal expenditures. The foundation of the study is to be the development, enhancement and operation of recreational facilities at Corps projects by non-federal public agencies and the private sector to the maximum extent practicable. The closure of existing facilities or deferral of maintenance as a means of reducing Federal expenditures are not being considered as part of the study. Existing restraints in law, regulation, or policy will be identified, but not allowed to limit proposals evaluated in developing a plan.

To obtain information for the study the Corps has consulted with local and State officials, user groups and private sector recreation development groups. Literature reviews, direct contact and interviews by Corps study managers, internal agency task force groups, and a series of facilitated regional workshops have been used to gather information and the views of the public.

The study report is scheduled for completion in September 1990. The report will be made available to the public when released by the Assistant Secretary of the Army for Civil Works.

The Corps of Engineers enhances tourism by providing programs to inform the public about recreation facilities available on Corps managed public lands. Corps information programs focus on information brochures, public campground programs, representation at State fairs, and regional sports shows to distribute literature, and contacts with news media to tell the Corps story and acquaint people with Corps recreation facilities. Some lake projects are quite active in promoting special event programs in cooperation with local civic groups or lake associations that draw many people to the lake area. Such things as the July 4th "Sundown Salute" at Milford Lake in Kansas, the "Blackpowder Rendevous" at Pomme de Terre Lake and the "Heritage Days" celebration at Harry S. Truman Dam & Reservoir in Missouri are extremely popular.

Corps lakes in Missouri have been particularly active in regional tourism councils and Pomme de Terre, Harry S. Truman and Stockton Lakes are now in a separate Missouri tourism region.

The Office of the Chief of Engineers promotes Corps projects nationwide through the publication of regional recreation brochures and through participations in Federal lands programs such as "Take Pride in America", and tha "Woodsy Owl" environmental clean-up programs.

In summary, the Kansas City District does recognize the potential its lake projects have for promoting rural tourism. We cooperate with local groups and governments to market and promote local tourism, but our mandated task is to operate and maintain those lake projects.

Mr. Chairman this concludes my statement. I thank you for giving the Kansas City District, Corps of Engineers the opportunity to comment before your subcommittee.

- ATTACHMENT -

KANSAS CITY DISTRICT
LAKE PROJECT
CONTRACTED SERVICES

Operation and Maintenance Service Contracts
(All issued to small business)
Fiscal Year 1990

	Contracts	Dollars
Missouri	84	$ 775,500.00
Kansas	83	$ 896,500.00
Iowa	15	$ 128,500.00
Nebraska	11	$ 61,500.00
Total	193	$1,862,000.00

Local Purchase Order and Imprest Fund Purchase
(All issued to small business)
Fiscal Year 1989

	Transactions	Dollars
Missouri	542	$ 134,500.00
Kansas	385	102,000.00
Iowa	35	33,500.00
Nebraska	16	14,500.00
Total	978	$ 284,500.00

TESTIMONY BEFORE THE

SUBCOMMITTEE ON PROCUREMENT, TOURISM, AND RURAL DEVELOPMENT OF THE HOUSE SMALL BUSINESS COMMITTEE

by
Wayne Muri
Chief Engineer

Missouri Highway and Transportation Department

June 30, 1990

Mr. Chairman, my name is Wayne Muri, and I am the Chief Engineer of the Missouri Highway and Transportation Department. I am pleased to respond to your invitation seeking our views on the problems with our transportation system and what can be done to solve those problems which will benefit rural tourism.

Fuel Tax for Deficit Reduction

Probably one of the most crucial concerns for Missouri today is the proposal to increase the federal fuel tax to reduce the deficit. This would be an abuse of the user-fee concept on which the highway system is built. In addition, certain parts of the country would pay a disproportionate share to reduce the federal deficit.

Missouri ranks near the top in the amount of fuel used per vehicle. In addition, traffic growth has more than doubled our projections since 1986. Should the gas tax be increased by as much as 25 cents for deficit reduction purposes it would cost Missouri more than $600 million per year.

Not only would Missouri pay a disproportionate share to reduce the deficit but one of our largest industries, tourism, would be adversely affected.

Missouri's Needs

Missouri has the sixth largest state highway system in the nation. The majority of our funding is derived from our state motor fuel tax. Missouri is unique because any increase in the fuel tax requires a vote of the people under our Hancock amendment. This makes an increase in our tax an unwieldy process, one that takes a considerable amount of planning and financial support.

As part of this process, in 1986 the department developed a study that identified the road and bridge needs for the next 15 years, 1987 to 2002. Road needs were determined from a statewide capacity analysis, system development, and an analysis of the age of the pavements and the expected life for each type of pavement. Bridge needs were determined from a review of the condition, width and load carrying capability. The study accommodated increasing traffic, kept pace with deteriorating bridges, provided for good riding surfaces, provided some additions to the system, continued the program for safety improvements and encouraged economic development.

In 1987, an increase in funds was approved that included raising the fuel tax from 7 cent to 11 cent per gallon. However, this increase funded only half of the needs identified in the 15 year study.

Recently the department completed another needs study. This study was developed by reviewing the 1986 study for appropriate additions, deletions or modifications. The list of needs included in the study represents the most critical capacity, condition and safety needs. To fund this "10 Year Needs Study" another revenue increase will be needed. The study identifies 1,297 miles of capacity and system development improvements; constructing, redecking, widening or otherwise rehabilitating 11 major bridges; replacement, rehabilitation or strengthening of nearly 1400 other bridges; replacement of about 150 miles of interstate pavement; and 17,000 miles of resurfacing.

The Next Federal Highway Act

A main key to funding this study is the federal assistance Missouri receives through the federal highway trust fund. Under the current federal surface transportation act Missouri is a minimum allocation state. We only get back 85 cents of every $1 we contribute to the trust fund. However, as you are all aware, the current surface transportation act expires on October 1, 1991.

To prepare for the next act Missouri is supporting the American Association of State Highway and Transportation Officials (AASHTO) proposal. Under this proposal Missouri would stand to gain $200 million more per year in federal highway funds. This is almost double the $250 million Missouri is presently receiving. To receive the additional money two things must happen. Missouri must get its fair share of federal funds and the balance in the trust must be used.

To bring Missouri its fair share the next federal highway act must do several things. It must keep the current matching ratio. The ratio for Missouri now averages about 82 percent federal, 18 percent state. If changes are made to increase the matching ratio, Missouri would have to forego the funds or raise taxes in order to have sufficient money to match the federal portion.

The current minimum allocation plan is intended to balance the distribution of funds among the states. If it is retained in the new bill, the factor used in determining a state's share should be 90 percent rather than the current 85 percent.

The minimum allocation program prevents any net gain from discretionary funds for Missouri. Missouri should get the full benefit of discretionary funds in the next bill.

The concept of demonstration projects should be allowed to expire with the present bill. Obligation authority further reduces the amount appropriated. It is an unneeded second control on spending and should not be continued in the new act.

Financing the new highway bill could be done the first two years by spending the balance in the trust fund. After that, an increase of perhaps 10 cents a gallon in the federal tax would be acceptable to help pay for the federal highway program.

Gasohol

Another costly item for Missouri is the use of gasohol. The federal tax is set at 3 cents per gallon for gasohol and for all other gasoline the tax is set at 9 cents. This 6 cent gap cost Missouri $8 million last year and would cost us even more if our share of federal funds increases.

The Clean Air Act presently being considered also has an impact. If the use of alternative fuels is mandated in the conference bill a lower fuel tax rate for gasohol should be eliminated. The tax rate was originally set lower to provide incentives for gasohol production. If the use of alternative fuels such as gasohol is mandated there is no reasons to subsidize the gasohol industry.

Summary

Although I have focused on Missouri highway needs and the effect of future federal actions on meeting those needs, I feel it has a direct affect on rural tourism. Adequate funds to improve our road system will give the public better access to our tourist attractions. Whether it is the Lake of the Ozarks, Branson, or our state parks, they are assessable only by our highway system.

If there are not enough funds to repair and improve our roads and bridges, there will be no adequate highway system to attract tourists to those areas. And as we have shown in our discussion, the federal government is a key to that success.

Mr. Chairman, thank you for your time. I will be pleased to respond to questions, now, or later in writing.

Remarks of

Stephen W. Kappler

Public Relations Manager

Missouri Division of Tourism

Before the Subcommittee

on Procurement, Tourism, and Rural Development

of the

House Committee on Small Business

* * * * * * *

Saturday, June 30, 1990

Independence, Missouri

I am Steve Kappler, public relations manager for the Missouri Division of Tourism. I am here on behalf of our director, Marjorie Beenders, who is in Chicago today, talking about Missouri tourism to delegates attending the 50th anniversary convention of the National Newspaper Publishers Association. In addition to sending me, she sends her regards to the members of this subcommitee.

I am pleased to have the opportunity to speak here this morning. In summary, I plan to discuss tourism's importance as an economic development tool . . . its potential for aiding the economy of Missouri's rural areas . . . what we're doing now to promote tourism, both domestically and internationally . . . ways we hope to promote in the future . . . and how federal agencies and the federal government affect the promotion of tourism in Missouri.

Obviously, travel and tourism is very important to Missouri's economy. Right now, tourism is our second-largest revenue-producing industry. Only the general category of manufacturing contributes more revenue to Missouri's economy.

Last year, traveler spending totaled more than $5.8 billion in Missouri. All that spending generated more than $600 million in federal, state and local tax revenue. This includes tax revenue from travelers and from businesses directly involved in tourism. Especially significant is that much of this revenue is "imported" into Missouri. Our research shows that nearly 75 percent of the travelers in Missouri are from other states or nations. The rest are Missourians vacationing in their home state.

Tax revenue from traveler spending in Missouri helps fund education, road repairs, health care and other vital state services. If traveler spending stopped, we estimate the average Missouri family would have to pay $145 more in state and local taxes just to maintain the same level of government services. Overall, tourism promotion is a good investment for our state. According to various sources, Missouri gets back between $4 and $10 in tax revenue for every dollar invested in promoting tourism.

Another aspect of tourism is jobs. Over the past decade, the travel industry has generated a steadily rising number of jobs. There are now more than 132,000 Missourians employed as a result of tourism. If all travel activity ceased in Missouri, we would lose over five percent of our jobs and payrolls. And although the industry creates a lot of jobs, it's also significant that more than 90 percent of the establishments serving travelers in Missouri are classified as small businesses.

As you know, Missouri is not unique in benefiting from tourism. Travel spending in the U.S. last year reached approximately $350 billion. Travel and tourism is America's third largest retail industry and it employs some 5.8 million Americans. In fact, travel directly generates more jobs in the U.S. than any other industry except health services. And here's a key fact: Over the past decade, travel industry employment has grown 43 percent -- more than TWICE the growth rate for all U.S. industries.

Given the size and impact of tourism, it's obvious that this industry is far from the "frivolous and non-essential" activity it once was considered. It is, in fact, vital to our economy, both in Missouri and in our nation as a whole.

Many businesses and types of spending are grouped in the general economic activity we call "tourism." Today I would like to focus on two aspects of tourism that I believe are of special interest to this subcommittee. First is rural tourism and its potential for boosting the economy in rural areas. Second is the prospect for increasing our international tourism, to benefit both rural and urban Missouri.

Our metro areas have a lot to offer travelers. And the cities have benefited from tourism. Our most recent data show yearly traveler spending of $3.3 billion in St. Louis city and county, plus Jackson and Platte counties (the heart of the Kansas City/Independence metro area). Greene county, which includes Springfield, adds another $161 million to the total.

Even so, rural Missouri already has a thriving travel economy . . . and has the potential to derive even more benefit from tourism. Counties surrounding major lakes -- such as the Lake of the Ozarks -- and counties in southwest Missouri's Ozark Mountain Country are leading generators of travel revenue. In these already-developed rural areas, tourism is the top industry and the number-one employer.

Other lake areas and smaller cities in Missouri have the potential to become magnets for travelers. In western Missouri, for example, lakes such as Truman, Stockton, Pomme de Terre and Smithville offer scenic beauty and recreation for visitors. And communities such as Sedalia, Lexington, Clinton, Warsaw, Carthage and Trenton can provide the services and attractions travelers seek.

Visitors who are willing to break away from major metro areas and explore rural America are rewarded with unique vacation memories. Undoubtedly, people who vacation in rural areas have the chance to experience the true color, character, spirit and history of America.

Now, of course, we're realizing that tourism is a benefit to guest and host alike. Visitors get the recreation and change of pace we all need periodically. And those who serve travelers get a vital economic boost.

This is especially important when considering rural tourism. Today, the economy is declining in many of our rural communities.

As agriculture becomes more of a corporate enterprise, the number of family farms is decreasing. Traditional "smokestack" industries (especially the ones with the potential to be major employers) are deserting rural America. The quality of life in many of our small towns is declining and some small towns literally are disappearing.

Fortunately, there are many examples of rural communities that have been revitalized by tourism. Others are just beginning to understand the potential of travel and tourism. For those already prospering and those wanting to develop tourism, I believe the key is to make government, at all levels, a partner in the growth of rural tourism.

Obviously, it's not our business to tell a community what it should or shouldn't do. But it should be our priority to tell the people in rural communities about their opportunities and options and to assist them in achieving their goals. Nothing will happen without strong local leadership, but we can assist community leaders by letting them know what's available, how to market and promote, how to find financing, and how to make the best use of the resources they already have.

The Missouri Division of Tourism already has a number of programs available to rural communities. Other programs await legislative authorization or increased funding, to better help us assist tourism developers.

Let me emphasize at this point that our mandate is to promote ALL of Missouri, urban and rural, as equally and fairly as our resources will allow. All our programs are available to those interested in tourism throughout Missouri. But some, by their nature, offer special promise for the often under-financed promotional efforts in rural Missouri.

One good example is the Missouri Tourism TEAM. Created in 1985, the Tourism TEAM (an acronym for Team Effort Advances Missouri) helps individuals, communities and businesses to work with us on tourism-development projects. At the heart of the concept is a bank of volunteers willing to share their skills and knowledge. Those who volunteer are added to a file of TEAM members, with their areas of expertise noted. When the Division of Tourism receives a request for assistance, this consultant bank is tapped to match Tourism TEAM experts with the specific need. TEAM members can visit rural communities and help with developing a marketing plan, creating a promotional brochure, planning a festival or special event, or any other tourism-related effort.

In our advertising, we try to focus on specific Missouri areas and attractions, again including both the urban and the rural. We have a cooperative advertising program which helps travel industry advertisers stretch their promotional dollars, since we match their investment on a 50-50 basis (for radio advertising). One advertising program that can be especially helpful for promoters in rural areas (since they often have very limited budgets) is our annual radio advertising contest.

The contest offers communities and areas the opportunity to submit their non-profit festival, place or activity as the subject of a radio commercial. Each spring, 50 or more winners are selected. At no cost to the winners, we produce a radio commercial and air it (again at no cost) at a time and on radio stations most likely to benefit the area/event involved. Considering the cost of radio advertising, this is a great opportunity for rural tourism promoters.

Our publications offer low-cost or no-cost promotion opportunities for Missouri businesses and communities. Whether it's a free listing in our Missouri Travel Guide or a cost-effective coupon/ad in the Missouri Fun Money book, rural communities can take advantage of our publications as promotional tools.

Similarly, we've made it a point to develop promotional events that cost very little for travel industry members who want to get involved. The events may be in celebration of National Tourism Week or to honor the General Assembly or to show state pride on Missouri Day. The target audience may be travelers, the news media or government decision makers. In each case, the common denominator is that we try to make it easy and economical for Missourians to be involved.

For the future, we are hopeful of starting a much more ambitious cooperative funding program. It would make promotional funds available, on a matching basis, throughout Missouri's nine vacation regions. The funding would be available in increasing amounts, as the Division of Tourism's budget grows. When budget increases make this program possible, it should provide one more valuable means of promoting tourism in rural Missouri.

Increasing international tourism in Missouri is another goal of the Division of Tourism. We see this as one more way we can increase tourism's benefits in rural Missouri.

Last year, for the first time ever, international visitors spent more money in the U.S. than Americans spent traveling abroad. Visitors from other nations spent about $34 billion in the U.S., making tourism America's largest "export." Still, with all we have to offer, America should be doing better in attracting international visitors.

In Missouri, our problem is lack of awareness. We know that first-time visitors from other nations probably will continue to choose the best-known destinations -- Las Vegas, Disney World, New York, etc. Our task is to communicate the uniqueness of the Midwest -- the "real" America -- so we can attract visitors who have made more than one trip to the U.S.

Right now, we're doing this through regional promotions, working with multi-state groups known as America's Heartland and Mississippi River Country. The premise is that we will have better success in attracting visitors from other nations if we offer the multiple appeals of several states, rather than trying to get them to visit just one state.

America's Heartland is a six-state group, including Missouri, Kansas, Louisiana, New Mexico, Oklahoma and Texas. As part of America's Heartland, we are reaching out to travelers from Canada, England and Germany.

Mississippi River Country, a marketing group for states bordering the Mississippi River, also is promoting internationally. Japan is a prime market for this group, for the Japanese are familiar with the heritage of the river and of Mark Twain.

As a separate entity, the Division of Tourism continues to participate in the Discover America International Pow Wow. The annual event draws international tour packagers to the U.S., to meet with travel suppliers in one-on-one business appointments. We are encouraged to note a growing interest in Missouri over the past few years, as tour producers seem to be looking for alternates to the traditional East Coast/West Coast destinations.

One other significant development within the past year was the Division of Tourism's inclusion, for the first time, in an official Missouri trade mission overseas. In February, Tourism Director Marjorie Beenders accompanied Gov. John Ashcroft on a 12-day trade mission to Japan. The Japanese are the number one source of spending by international travelers to the U.S. After meetings in Tokyo and Osaka with top Japanese tour producers, we are optimistic that more visitors from Japan will come to Missouri in the future.

All our efforts to increase international tourism are in cooperation with the U.S. Travel and Tourism Administration. We have found them to be helpful and thoroughly professional. I believe USTTA does a good job promoting America overseas, within the limitations of the agency's budget.

As we promote Missouri tourism, we have occasion to work with several federal agencies, in addition to USTTA. Others would include the Army Corps of Engineers, the National Park Service and the U.S. Forest Service. Overall, I'd have to say the "good neighbor" policy is alive and well.

The Corps of Engineers and the U.S. Forest Service are the agencies with the most impact on tourism in rural Missouri. Both, I would say, are becoming much more aware of tourism's importance. They may not consider tourism promotion their primary function, but they see serving travelers as a significant part of their mission.

The National Park Service has had its own tourism program for the past nine years. In Missouri, some Park Service areas are urban (the Gateway Arch and the Truman Home, for example). Others, such as the George Washington Carver National Monument and the Ozark National Scenic Riverways, are rural. In either setting, I would give the Park Service high marks for its sensitivity to tourism's value.

The only quibble I would have with the federal agencies is one that is typical of all government. Sometimes, we don't work together efficiently. Overlapping jurisdictions can lead to conflicting regulations and a feeling that the left hand and the right hand aren't working in concert. Avoiding these problems is an ongoing process that we must work on together.

In summary, I would emphasize that tourism is vital to Missouri's economy. Gov. Ashcroft and the General Assembly have become strong supporters of our tourism efforts, recognizing that tourism means a lot to all Missourians. We have programs in place to increase tourism's impact in rural Missouri and to attract more international visitors -- programs that will grow as our budget continues to grow.

Even so, we are always eager for new ideas on ways to promote more effectively. This hearing in Independence is one more evidence that tourism is recognized as an essential industry at the federal level, as well. We appreciate your initiatives to bring tourism's benefits to rural areas and to bring more international visitors to the U.S. You can be sure we will continue to work with everyone at the federal level -- in the executive or the legislative branch -- who shares our interest in helping tourism grow.

That concludes my testimony. Thank you for inviting me to be here today.

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DAVID MAY, PRESIDENT, INDEPENDENCE CHAMBER OF COMMERCE, AND MEMBER, CITY OF INDEPENDENCE TOURISM ADVISORY BOARD

TESTIMONY BEFORE
THE SUBCOMMITTEE ON PROCUREMENT, TOURISM AND RURAL DEVELOPMENT
COMMITTEE ON SMALL BUSINESS
UNITED STATES HOUSE OF REPRESENTATIVES

Field Hearing
Harry S. Truman Library & Museum
Independence, Missouri
June 30, 1990

Congressman Skelton, members of the subcommittee. My name is David May. I am the president of the Independence Chamber of Commerce and serve on the City of Independence Tourism Advisory Board.

Welcome to Independence. It's a pleasure to have you here and to talk to you about tourism, a topic of vital interest to our community and many of our small businesses.

I will restrict my comments to the economics of tourism. My colleague, Patty Nolte, our community's director of tourism, will highlight the non-economic impact of tourism, discuss Independence's marketing program and comment on our relationship with the federal government as regards tourism.

Stating the obvious first, travel is a big, big industry. According to the U.S. Travel Data Center, nearly six million Americans owe their livelihoods to travel, collecting an annual payroll of $73.7 billion. Governments at all levels realize revenue of $42.8 billion from the travel industry. And the total economic impact of travel in America is an amazing $350 billion dollars.

The State of Missouri, with our natural beauty and rich history, benefits from travel in a big way. Eighty thousand Missourians are employed in travel-related jobs with an annual payroll of $1 billion. Travel is our state's second largest industry and has an economic impact of $5.25 billion. The Travel Data Center contends that if tourism ceased in Missouri today, the average Missouri family's tax bill would jump by $100.

Closer to home, almost 15,000 people in this metropolitan area depend on travel for their jobs. And with our interesting and diverse history, travel has become an important segment of the Independence economy. Conservatively, travel has a $60 million impact on our city annually. Over 1350 people in Independence work at travel-related jobs and earn nearly $14 million in pay.

Summing up this first point about travel being an huge industry, tourism is an investment that pays economic dividends in our nation, state and community in the form of personal income, employment, diversification of the economic base, and tax revenues.

So much for the big picture and the more obvious. Now let me tell you what travel means to my friends and neighbors that own and/or operate small businesses in our community. And what applies to Independence holds true for many towns and cities in the country, particularly those in rural areas.

Stereotypically, the word 'tourism' incites visions of airlines and travel agents and hotels. While true, that's only part of the story. We have no airlines in Independence; we are not a resort town. Yet travel is an important part of our local economy.

A few blocks from where we are sitting right now, small family-owned businesses are making a part of their living serving the traveling public. Around the Independence Square where Harry Truman spent much of his life, those small local enterprises realize most of their cash register receipts from local patrons. But at least a part of their revenue comes from out of town visitors. Of every dollar those guests leave behind, 25 cents will make its way to restaurants and groceries, 17 or 18 cents to the auto industry, and retailers will realize about 8 cents in sales.

Testimony by David May
Independence Chamber of Commerce
Independence, Missouri
Subcommittee on Procurement,Tourism,
and Rural Development
U.S. House of Representatives
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My point is that the businesses in Independence that benefit from travel aren't just those we most readily think about when we think about travel. They are businesses owned and operated by local people--my friends and neighbors. And unlike the major entertainment and travel corporations, these small businesses lack the marketing expertise and resources to reach the travel market effectively.

I'll leave it to others to address the potential of attracting the international visitor to America except to say that I think that that potential is enormous. The open vistas of rural America and the vibrant economic and cultural aura of our country are magnets to the international tourist. But our community marketing programs outside the largest cities can't reach that global market. We need to look to state and federal initiatives.

Again, welcome to the Greater Independence area, and thank you for your interest in small business and tourism.

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City of Independence

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TESTIMONY PRESENTED TO THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL BUSINESS SUBCOMMITTEE ON PROCUREMENT, TOURISM AND RURAL DEVELOPMENT

by

Patty Nolte
Tourism Director
City of Independence, Missouri

Distinguished members of the subcommittee, I am Patty Nolte, Tourism Director for the City of Independence, Missouri and I appreciate the opportunity to address you this morning regarding the Tourism Policy and Exportation Act.

Mr. David May, President of the Independence Chamber of Commerce, will be one of the people testifying this morning on the enormous economic impact of tourism on American communities. In Independence, a community of 115,000, the annual economic impact is over $60 million. These dollars, spent by tourists each year, provide jobs, support small businesses and generate local taxes that allows the city to provide basic services.

However, beyond the economic benefits tourism provides to areas like Independence, as important is the positive role tourism plays in helping smaller and rural communities maintain a sense of identity and civic pride.

In this age where cities, both large and small, look pretty much alike, with McDonalds, Conocos and Quick Trips lining major arteries, dollars spent by tourists allow communities to maintain a separate sense of identity through historic preservation.

Independence is an excellent example of a community that has been able to preserve its rich history by opening historic sites to tourists. The preservation and promotion of our historical sites as tourism attractions has maintained a unique identity for Independence and sets it apart from other communities. Without tourists, the City of Independence would not be able to offer two restored Victorian homes, an 1859 Jail, the restored Courtroom where Harry Truman served as County Judge or many of the other 12 historic sites all located within blocks of this facility. The recognition of the potential for attracting tourists has led to unique and cooperative relationships between the City of Independence, the National Park Service, the National Archives and Records Administration, State of Missouri and local historic groups who have preserved for tourists a sense of who we were and created for residents a reaffirmation of who we are today. In March of this year, the State of Missouri completed construction of the National Frontier Trails Center with the City of Independence currently operating the facility. This collaboration between the city and state has created a physical presentation of the important role Independence played in the Westward emigration of America. This nationally significant facility has been funded with the expectation that it will bring tourists to this area but at the same time also permanently preserves for residents a very important part of our local history.

The recognition of the importance of the tourism market is evidenced by the many joint programs undertaken here by the City, National Park Service and Truman Library. These three government entities work closely with each other and the community to promote all historic sites in Independence. Additionally, Independence has joined with more rural communities like Weston, Kearney, Richmond and Lexington to form the Missouri Valley Marketing Association. This group has self-funded production of a brochure which uses the theme of Jesse James to package all these communities together for tourists. Without these types of strong intergovernmental relationships and without tourism, the history of many communities, including Independence, might have become just local folklore and not a dynamic element of the current economy.

As Tourism Director, I support the Tourism Policy and Export Promotion Act. When an Italian tour operator recently visited Independence, I asked what sites would be of particular interest to his clients. His answer was everything - that there was a tremendous interest by Europeans in "real" America - both past and present. However, we have neither the resources or expertise to directly tell the Independence story to this market.

Independence needs tourists - domestic and international - for both the economic and quality of life benefits they provide.

We need a strong commitment from our government to capitalize on foreign visitors' fascination with all of America and not just major metropolitan areas. We need a commitment both for increased funding for marketing and also providing assistance with international marketing and receptive services. As Mr. May points out in his testimony, many of the businesses in Independence which directly benefit from tourism are small, individually owned and operated enterprises. These businesses do not have the expertise or resources to compete in a global marketplace. They need the USTTA to be their advocate in promoting the wealth of American history found outside first tier destinations such as New York, Orlando and San Francisco.

I ask that you appreciate that not just rural communities, but midsize and smaller communities also need direction, assistance and promotion if they are to realize the tremendous potential benefits from international visitors to this country.

Thank you.

GIL LANGLEY, TOURISM DEVELOPMENT SPECIALIST, BUCHER, WILLIS & RATLIFF

Statement in Support of the
Tourism Policy and Export Promotion Act of 1990

Before the Subcommittee on Procurement, Tourism,
and Rural Development

Committee on Small Business
U.S. House of Representatives

June 30, 1990

Good morning Mr. Chairman and members of the Subcommittee. I would like to thank you for the opportunity to appear before the Subcommittee on Procurement, Tourism, and Rural Development to share with you our views on tourism in general and specifically on H.R. 4369. In our opinion, tourism is the growth industry of the 1990's and must play a vital role in the economic development of every county, city and state in our country.

My name is Gil Langley and I am a tourism development specialist associated with Bucher, Willis and Ratliff, a consulting engineering, planning, and architectural and firm with offices in Missouri, Kansas, Iowa, Colorado, Illinois, Texas, and Taiwan.

Our firm and its members have extensive experience in all areas of economic development. We have been involved in tourism programs and projects in Alabama, Tennessee, Missouri, Kansas, Arizona, and Washington. The majority of these have been in rural communities, which gives us a special perspective on the needs, problems, and opportunities facing those areas.

Many areas of concern to citizens of rural America can be addressed through the establishment of an aggressive, professional tourism programs, just as they have been in many cities. The key to success is a complete understanding of what tourism can and cannot do, as well as the self-discipline to focus on one's strengths and "go fishing where the fish are".

Tourism has come of age. Just 15 years ago, the federal government declared tourism to be a "non-essential industry". Your presence here today proves that attitude has changed. One cannot turn on TV, read a newspaper, or buy a magazine without being aware of tourism's impact on our nation. The facts speak for themselves.

Travel and tourism is our nation's third largest retail industry, generating more than $350 billion in gross receipts in 1989. Approximately 5.8 million Americans earn their living in travel related jobs, making it our second largest employer. In fact tourism is the first, second, or third largest employer in 40 of our 50 states.

Governments reap the benefits as well. In 1989, federal, state, and local governments received almost $43 billion in tax revenue.

The federal government has also realized that tourism is America's largest export. According to the United States Tour and Travel Administration, the $43 billion brought by foreign visitors into the United States last year exceeds the revenue generated by automobile manufacturing, chemicals, electronics, agriculture, and every other American export product.

Here in Missouri, tourism generated over $5.8 billion in 1989, an increase of over five percent from the previous year.

It is the state's second largest industry behind manufacturing and ahead of agriculture. It is an industry whose benefits are shared by urban and rural citizens alike. Millions of tourists visited not only St. Louis and Kansas City, but Osage Beach, Branson, Hannibal, and Hermann.

The facts of our industry have long been known to those involved in it . Today, all of our citizens are beginning to have an appreciation for tourism and the vital role it plays in our country's economic, social, cultural, and environmental well-being. From highway improvement to oil spills, inner city developments to wilderness areas, ethnic diversity to issues affecting Americans with disabilities, the impacts on tourism are discussed and debated.

Mr. Chairman, you and the members of your committee have long been supportive of the tourism industry and have worked to insure that the benefits and opportunities the industry presents are available not only to global corporations and large urban areas, but also to the mom and pop stores along Main Street, U.S.A.

The Tourism Policy and Export Promotion Act you are considering is evidence of your commitment to tourism in general and specifically to the businesses and communities throughout America that will benefit by its enactment. We support this bill and offer this committee any assistance we can provide to expedite its passage.

We applaude your decision to include language in Section 10 of the Bill which calls for the coordination and development of the tourism industry in rural communities which have the potential necessary to support and sustain an economy based on tourism or that have been severely affected by the decline of other industry, including agriculture, family farmimg, and manufacturing, or by the closing of military bases.

From our experience, we can safely say that this includes a vast majority of cities, towns, and counties throughout the nation. In Missouri, we have worked in Smithville, Warsaw, Branson, Lake of the Ozarks, and here in Independence. All of these communities could benefit from the increased support of efforts to develop our international markets.

To realize the benefits of this market, however, these communities and others like them must have help in their efforts. And that help must start at the federal level. That's not because states are not interest in providing assistance. They are. It's primarily a result of the economics of the marketplace.

As I mentioned earlier, the State of Missouri realized $5.8 billion from tourism in 1989. Almost all of that impact was generated domestically. As a result, that's where the industry invests 98% of its efforts. At this point in time, the international market represents such a small portion of the state's tourism industry that the Division of Tourism does not compile statistics on visitation or economic impact.

Missouri's promotional efforts to develop this market depend on USTTA and regional organizations such as America's Heartland. In this, Missouri is no different from the majority of states in our country. Without a national presence in foreign markets providing image building and channels of communications to the customer, the international tourist would be impossible for us to capture.

And there is a market for us in the Heartland to capture. According to USTTA, over 40 percent of the overseas visitors to the United States have visited more than four times in the past. That number excludes the frequent visitors from Canada and Mexico, our two largest international markets. These 6 million tourists have been to New York, Los Angeles, and Orlando. They want to turn in their mouseears for cowboy hats and pass up the bright lights of the city for the stars of Ozark Mountain Country.

Our visitors want to experience rural America. Between 1985 and 1989, the largest increase in foreign visitation was not in California or New York. It was in Utah. In fact, three of the next four states with the highest increase in international tourists are primarily considered "rural America" - North Dakota, Alabama, Rhode Island, and Idaho.

The visitation to Missouri, if not a large portion of the market, is none-the-less significant. According to USTTA over 267,000 foreign tourists crossed our borders in 1989. In neighboring Kansas, the count was almost 74,000. That's more

These visitors will spend more time and up to six times as much money on their vacation as is spent by a domestic tourist.

Clearly, Mr. Chairman, you and the members of your committee have used foresight in your attempts to bring the international tourism market to Missouri and the rest of rural America as an economic development tool. H.R. 4369 continues those efforts and we would like to comment on the Bill specifically.

First, we would encourage you and your colleagues to accept the higher levels of funding as called for in the Senate version of the Bill. USTTA has done an outstanding job in the past, despite having to work without proper funding and authorization. Tourism has become our number one export even though we invest less per capita as a country than Guatemala, Zambia, or Haiti. With global competition for the tourism dollar increasing, we must aggressively support the development of an industry as economically productive as tourism.

Secondly, we strongly support your efforts to improve tourism statistics. As you well know, in times of limited funding and shrinking resources, it is impossible to make sound decisions without verifiable data. This legislation will help us not only to justify the investment in international tourism development, but also to gain insights into the marketplace that will allow us to target our markets and reap even greater gains from our promotional campaigns.

Finally, we fully support the creation of the Rural Tourism Foundation and would ask you to consider even expanding its scope to all communities who need assistance in developing the international market. The vast majority of businesses in America are uneducated as to the needs and desires of the foreign visitor and are ill-equiped to service them properly.

For example, a brief poll of hotels in the Kansas City area indicated that only one posts exchange rates at the front desk for international visitors or provides currency exchange. None provide the traditional Japanese breakfast of soup and fish. There is not a youth hostel in the metropolitan area. And no promotional materials are available in a language other than English. Help is needed not only in Osage Beach and Branson, but in St. Louis and Kansas City as well.

Additionally, in its efforts to develop rural toukism, the Foundation should not forget the much greater domestic market. It is from citizens nearby that most rural communitites will realize the greatest visitation and therefore, the greatest economic impact. The most money spent in Branson comes from the residents of Kansas City and St. Louis. To the proprietor of Lambert's Cafe in Sikeston, Missouri, Basil Cobb's Farmers Exchange in Arab, Alabama or the Tucker Winery in Yakima, Washington, the visitor from New York is just as much a foreigner as the tourist from Tokyo.

Mr. Chairman, members of the committee thank you for coming here today and allowing us to share our thoughts with you.

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